



Welfare Reform Act 2012 How It Affects Newark and Sherwood Tenants



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NEWARK AND SHERWOOD HOMES
0845 258 5550
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The Welfare Reform Act.



The Welfare Reform Act 2012 represents the biggest change to social welfare in the last 60 years.

The changes planned are likely to have a significant impact on social landlords and their tenants, with the 'size criteria' element posing a particular challenge.

According to the Government, the main aims of the Act are to:

- contain growing Housing Benefit expenditure and help reduce the budget deficit.
- encourage greater mobility within the social rented sector
- strengthen work incentives among people of working age living in social rented housing
- make better use of available social housing stock.

How Will It Affect Me?

You may have heard about these reforms in the news but it is important that you are aware of the changes that may affect you, and how these changes will impact on Newark and Sherwood Tenants.

There are three key elements to the Welfare Reform Act 2012 which will be explained on the following pages.

These are:

- Under Occupation Rules - 'The Bedroom Tax'
- Non Dependant Deduction Charge
- Universal Credit

The 'Bedroom Tax' Penalty



From April 2013 if you are of working age and receive Housing Benefit, the government state your Housing Benefit payments could be affected by how the number of bedrooms you have.

One bedroom will be allowed for:

- each adult couple
- any other person aged 16 or over
- two children of the same sex under the age of 16
- two children regardless of sex under the age of 10
- any other child
- a carer, or one of a team of carers, who has a home elsewhere, who uses a spare bedroom on a regular basis to stay overnight because the claimant or their partner requires overnight care.

Otherwise, there are no exceptions to this which means that:

- if separated parents share childcare, the child will only be taken account of in calculating the property size for the housing benefit claim of the designated 'main carer' – if care is shared exactly equally the main carer will be the parent that receives child benefit
- parents whose children visit but are not part of the household are not assessed as needing an extra bedroom
- foster children will not be considered when assessing whether or not a home is under-occupied
- couples using a spare bedroom when recovering from illness will still be considered to be under-occupying
- disabled people living in adapted or specially designed properties which have more bedrooms than are permitted by the size criteria will have their housing benefit reduced, unless designated as supported 'exempt' accommodation.

How Much Will It Cost Me?



From April 2013, Housing Benefit payments for Social Housing will now fall in line with the same rules used already in the private rental sector.

Only one bedroom will be allowed for each adult or couple. As such, there will be a reduction in the amount of Housing Benefit that is paid to tenants of working age (these are people who are not old enough to claim their state pension and not in receipt of Pension Credit) whose homes don't match their family size.

Tenants deemed to be under-occupying by one bedroom will have a 14% reduction.

Tenants deemed to be under-occupying by two bedrooms or more will have a 25% reduction.

Those tenants affected will lose on average £11 per week for 1 bedroom under-occupied and an average of £20 for 2 bedrooms Under-occupied

**This change
will NOT
affect
Pensioners.**

Non-dependant deduction charge

A non-dependant is someone living with a claimant aged 18 or over who is not a joint tenant or boarder and not their partner. This is normally a grown up son or daughter, parent, friend or another relative.

There are different non-dependant deduction rates based on the age and the income of the non-dependent. These rates have been kept artificially low by previous Governments and will now see a rapid increase to bring them back into line over the next couple of years. The Housing Benefit claimant's entitlement will be reduced by the appropriate rate, and it is expected that the non-dependent will make good the shortfall from their own income.

However, it is the tenants responsibility to ensure that rent is paid in full and on time. Any recovery action will be taken directly against the tenant, not the non-dependent.



Universal Credit. The End of Direct Payments.



If you receive Housing Benefit, this is currently paid direct to Newark and Sherwood Homes from Newark & Sherwood District Council's Housing Benefit section.

However all this is set to change with the introduction of 'Universal Credit'.

From October 2013 most benefits for working age people, including Housing Benefit, will be replaced by 'Universal Credit'.

This means that all your benefits will be paid directly to you monthly in one payment that may be 4 weeks in arrears.

From this **YOU** will be responsible for paying your rent to Newark & Sherwood Homes.

This will be a major change for tenants and Newark and Sherwood Homes.

Other Benefit Changes

People who claim Incapacity Benefit and Disability Living Allowance will face tough medical tests.

If these tests are failed, they will be transferred onto lower paid benefits and their income could be substantially reduced.

Things to consider in preparation for Universal Credit

- Open a bank account that will allow you to pay your rent by Direct Debit. This will allow you to pay your rent automatically when your Universal Credit payment goes into your bank account.
- Plan to have access to the internet. You will need to use the internet to claim benefit or advise of a change in your circumstances that could affect the amount of Universal Credit you are entitled to.

How Can Newark and Sherwood Homes Support Tenants?



- We will provide you with guidance throughout these changes
- Support you with setting up bank accounts
- Encourage you to contact support agencies such as those listed on the next page.

Newark and Sherwood Homes
Kelham Hall
Kelham
Newark on Trent
Notts
NG23 5QX

Visit our website

www.nshomes.co.uk

Telephone 0845 258 5550

E-mail housing@nshomes.co.uk

Other Useful Contacts.



Housing Benefits – 01636 650000
www.newark-sherwooddc.gov.uk

Citizens Advice Bureau – 0844 856 3411
www.citizensadvice.co.uk

Shelter – 0845 2414515.
www.shelter.org.uk

National Debtline - 0808 808 4000
www.nationaldebtline.co.uk

Framework – 0800 0665358
www.framework.org.uk

Money Advice Centre – 0300 500 5000
www.moneyadviceservice.org.uk