

Benefit Changes Quick Guide

Universal Credit

- To be introduced October 2013 – April 2014 for new claimants
- Most existing claimants will be transferred from April 2015 – October 2017
- Will replace Income Support/JSA(Income Based)/ESA(Income Related)/Housing Benefit(Local Housing Allowance)/Child and Working Tax Credit
- Age group – over 18 and less than qualifying age for Pension Credit
- Subject to benefit cap to be introduced in April 2013 (£500 for families/£350 for individuals)
- Upper capital limit of £16k and lower limit of £6k
- Transitional protection for existing claimants
- Housing element based on actual rents subject to size criteria to be introduced in April 2013
- Support with mortgage costs will remain largely the same
- Will be available to claim online
- All claimants will be placed in one of 4 conditionality groups
- Sanctions include reduction in benefits for up to 3 years for those claimants subject to full conditionality
- Hardship payments may be available if sanctions cause financial distress

Council Tax Benefit

- To be abolished in April 2013

- Replaced by localised schemes
- Local authorities will decide who pays less council tax and by how much
- Protection for pensioners
- Tribunals will form part of the localised schemes (not centralised as now)

UC & Pension Reform

- Claimants of pension credit age will claim Housing Benefit until October 2014
- Pension credit will have new capital limit of £16000 (Currently tariff reduction for savings over £10000)
- For one of a couple to claim Pension Credit **both** must have reached qualifying age. If only one has reached this then claim must be for Universal Credit
- Universal Credit rates will be lower than Pension Credit rates for a couple with no pensioner premium as now. This reduction could be as much as £110 per week

Household Benefit Cap

- From 1 April 2013
- £500pw for families/lone parents and £350pw for single person
- Exemptions from cap will include pensioners, war widows/ers, households with individuals receiving disability payments
- Cap will only apply to 'non-working' households
- Individuals who lose their job through no fault of their own having been employed for at least 12 months will receive 9 month grace period before cap is applied
- Transitional support will be available until 2015

Housing Benefit Changes

- Changes in entitlement to size of accommodation and rates payable
- One bedroom will be allowed for: adult couple, any other adult over the age of 16, two children under 10, two children of same sex under 16, any other child, extra room for non-resident carer (subject to conditions)
- Maximum of 4 bedrooms regardless of size of family from April 2011 (transitional protection for existing claimants)

- Nationwide cap on LHA from April 2011 (transitional protection for existing claimants)
- LHA frozen from April 2012 – future increases will be decided by CPI or 30th percentile of local market rents

Tax Credits

- Couples must now work 24 hours per week between them to qualify for Working Tax Credit with one working at least 16 hours

Employment and Support Allowance

- All those receiving Incapacity Benefit/Severe Disablement Allowance/Income Support are being reassessed to see if they have limited capability for work
- Claimants will complete questionnaire and decision will be made by Jobcentre Plus
- From 1 May 2012 time limit of 1 year applies to contributory ESA claimants in WRAG
- Income related ESA and those in the support group are unaffected
- Jobcentre Plus staff have the power to require claimants in the WRAG to undertake work related activity

DLA

- To be replaced by Personal Independence Payment (PIP) from April 2013
- PIP will have 2 components – ‘mobility’ and ‘daily living’
- Each component will have 2 rates – ‘standard’ and ‘enhanced’
- Criteria must now be satisfied for 3 months prior to claim and 9 months after
- New activities test for qualification purposes
- No automatic entitlement for certain conditions
- Test will take aids and adaptations into account
- 2 awards – ‘Short’ will be for up to 2 years or ‘Long’ for 5 or 10 years
- All new claims will be for PIP from June 2013
- Existing claimants will be transferred from Autumn 2013 to be completed by March 2016