

# Customer Newsletter

# benefitsnews

[www.merton.gov.uk/benefits](http://www.merton.gov.uk/benefits)

April 2012

## Benefit reforms—update

In April 2011 the Government introduced a range of reforms that has radically changed Housing Benefit, Council Tax Benefit and other wider welfare benefits. We reported on some of these in last year's Customer Newsletter. We continue the update in this newsletter.

## Big freeze on Local Housing Allowance rates

Since Local Housing Allowance (LHA) started in April 2008, the LHA rates have been updated every month and they have reflected the rental market. The Department for Work and Pensions (DWP) announced just before the New Year that LHA rates would be frozen at their April 2012 levels for one year. Then from April 2013, they will be increased each year by the Consumer Price Index (CPI), in line with annual benefits increases.

The LHA rates for April 2012 to March 2013 will be available at the **end of March 2012**. If you are a private tenant or landlord you can find out what these will be by:

- Going to [www.merton.gov.uk/lha\\_rates](http://www.merton.gov.uk/lha_rates).
- Phoning 020 8274 4903.
- Ask for the rates at Merton Link in the Civic Centre.

This means that when your LHA rate is reviewed at your anniversary date or you make a new claim for HB between April 2012 and March 2013, your HB will be worked out using the rate published in April 2012.

## Shared Accommodation Rate for under 35s now

Before 1 January 2012, single people aged 25 or more could get the one bedroom self contained LHA rate. The lower Shared Accommodation Rate (SAR) has now been extended to single claimants who are under 35. This change affects approximately 160 of

our existing LHA claimants at some point between January and December 2012. All new claims and claims for single people under 35 who have moved will be affected straight away. If you are single and aged 25 to 34 and thinking of moving from shared accommodation, first check the LHA rates.

Please see [www.merton.gov.uk/hbctbreform](http://www.merton.gov.uk/hbctbreform) for more information.

## New edition of the LHA guide out now

We have updated the LHA guide to take account of:

- New legislation from April 2011 and January 2012
- Updated web addresses for searching

To get a copy of the leaflet:

- Download and print from - [www.merton.gov.uk/local\\_housing\\_allowance](http://www.merton.gov.uk/local_housing_allowance)
- Phone 020 8545 4903.
- Ask for one at Merton Link Housing Benefits service desk, Civic Centre, London Road, Morden SM4 5DX.

## Do you rent in social housing but have spare rooms?

The DWP is planning to reduce Housing Benefit (HB) for tenants who rent from social landlords, like Housing Associations or Registered Social Landlords from April 2013 if they have spare bedrooms. The proposal is to reduce the rent we use to work out HB by 14% if there is one spare bedroom and 25 % if there are two or more.

[www.merton.gov.uk](http://www.merton.gov.uk)



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## Benefit cap coming in April 2013

You may have read or seen news reports recently regarding the overall benefits cap to be introduced in April 2013. The DWP is still fine tuning this reform following consultation. The proposed cap is currently set to be £500 per week or £26,000 per annum. But this could change before April 2013. It is likely the cap will affect larger families and households. It will apply to the total household benefits, including Income Support, Jobseekers Allowance, Tax Credits and Housing Benefit. But there could be a period of protection, which would greatly help if those affected have to move.

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## New Council Tax Support

The Council Tax Benefit scheme will be abolished from April 2013. The Department for Communities and Local Government (DCLG) has already proposed a local Council Tax Support scheme to replace it. They will make it law in August 2012 and by 31 January 2013, we must have decided our own scheme. Pensioners will be protected from any changes introduced by the new scheme. Our scheme will have to support work incentives. We will let you know more from summer onwards, when we will consult on our proposed scheme.

Please keep checking our Welfare Reforms page at [www.merton.gov.uk/hbctbreform](http://www.merton.gov.uk/hbctbreform) or read more at [www.communities.gov.uk](http://www.communities.gov.uk) and search local Support for Council Tax.

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## Universal credit

In October 2013, universal credit will replace these six main benefits:

- income support,
- Income based Jobseeker's allowance,
- income related employment and support allowance,
- child tax credit,
- working tax credit,
- housing benefit.

In the main it will be administered by the DWP in the future. It will not replace any of these other benefits:

- disability living allowance,
- council tax benefit.

These are being replaced by Personal Independence Payments and Council Tax Support from April 2013.

## Benefit and tax credit changes—not so taxing now

HMRC are now sending records of a wide range of benefits directly to us. The details are sent the day after they happen, where there has been a:

- new award,
- a change of award (due to a renewal or other change),
- a tax credit has stopped.

We have made further improvements to automatically update HB and CTB claims and the success of this means a more responsive service, with better data sharing and faster reassessments. You still have a duty to tell us about any new awards or changes to your tax credits but this direct link to HMRC does help to avoid overpayments where you fail to tell us, or tell us late.

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## Direct Payments to landlords

We now have greater discretion to pay landlords or agents direct. When a landlord is prepared to reduce the rent to make it affordable for a tenant who gets HB based on LHA, we will make payments directly to the landlord on request. More details about this can be found at [www.merton.gov.uk/payment\\_hbprivate](http://www.merton.gov.uk/payment_hbprivate) including an online form to make a request for direct payments.

**A word of caution here to landlords.** It is advisable to align any date of change to rent with the tenant's LHA anniversary date, or just before it, but not after it.

Tenants may well need to use our Housing Options Team in order to negotiate with landlords. They can be contacted on 020 8545 3636.

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## Non dependant deductions go up

Non dependant deductions have gone up again from April 2012. This is the second of three increases introduced by the Government. The increase is 5.2%. The table below shows the weekly deductions for HB and CTB.

Non dependant income	HB	Up by	CTB	Up by
£394.00 +	<b>£73.85</b>	<b>£13.25</b>	<b>£9.90</b>	<b>£1.30</b>
£316.00 to £393.99	<b>£67.25</b>	<b>£12.05</b>	<b>£8.25</b>	<b>£1.05</b>
£238.00 to £315.99	<b>£59.05</b>	<b>£10.60</b>	<b>£6.55</b>	<b>£0.85</b>
£183.00 to £237.99	<b>£36.10</b>	<b>£6.50</b>	<b>£6.55</b>	<b>£0.85</b>
£124.00 to £182.99	<b>£26.25</b>	<b>£4.70</b>	<b>£3.30</b>	<b>£0.45</b>

Information in this newsletter is available in other languages, larger print, in Braille and on audiotape. If you would like more information in another format, contact us at the address below.

**Merton Benefits Service, London Borough of Merton, PO Box 610, Civic Centre, Morden SM4 5ZT.**