

# benefits news

## Customer Newsletter

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

April 2014

### Benefit Customer newsletter April 2014

Merton Benefits Service has decided to publish this newsletter online for this year, instead of printing it. This will save on printing costs and help with the more efficient production of your Housing Benefit (HB) and Council Tax Support (CTS) awards letters for April 2014. You can download and print a copy of it from [www.merton.gov.uk/benefits](http://www.merton.gov.uk/benefits).

### Council Tax Support April 2014

Merton's local Council Tax Support (CTS) scheme successfully introduced from 1<sup>st</sup> April 2013. In case you are not aware Merton full authority agreed to adopt a local CTS scheme that was broadly similar to the Department for Communities and Local Government (DCLG) default scheme. There were refinements to make it work alongside Housing Benefit, which have worked very well too in year one. The full authority also voted to maintain a CTS scheme that does not pass on the cut in funding from the DCLG for year two also. We could not just leave the CTS scheme unchanged for year two, because other factors change that we have to take account of, like uprating of applicable amounts, non dependant deductions and other benefits. Had we not addressed these issues our year two CTS scheme to take effect from 1<sup>st</sup> April 2014 would have been more harsh and out of date. In September 2013 we consulted on two options:

Option 1 – Introduce revised applicable amounts, personal allowances and non dependant deductions in line with the uprated amounts for the Housing Benefit (HB) scheme. Make minor technical adjustments to the scheme to bring it in line with the prescribed scheme for pensioners and the HB scheme.

Option 2 - Continue to award Council Tax Support based on the current scheme, including the current rates of applicable amounts, personal allowances and non dependant deductions. Not make minor technical adjustments to the scheme to bring it in line with the prescribed scheme for pensioners and the HB scheme.

The outcome of the consultation was that the majority of people who responded chose option one. Merton's full authority decided that our CTS year two scheme reflects this option. You can find more information about Council Tax Support under C in the A-Z list of services at [www.merton.gov.uk](http://www.merton.gov.uk)

### Discretionary Housing Payments could help you – please apply if you need to!

We have additional funding called Discretionary Housing Payments (DHP) currently and again for 2014-2015. The Government has granted this as an appreciation of the impact of welfare reforms like the benefit cap and the spare room subsidy for social tenants. But there are other reasons why you should claim DHP, like restricted eligible rent shortfalls and non dependant deductions and other factors. Even if you were turned down before you can still re apply. Go to [www.merton.gov.uk/dhp](http://www.merton.gov.uk/dhp) or phone us on 020 8274 4903 to get the DHP claim form.

### Social Housing exemption for pre January 1996 tenants ended 3<sup>rd</sup> March

The Government recently moved to close an exemption from 3<sup>rd</sup> March 2014 that had existed from 1<sup>st</sup> April 2013. This previously allowed for tenants who had lived at the same address and with continuous HB, with breaks of no more than four weeks since 1<sup>st</sup> January 1996 to be exempt from the spare room subsidy rules. In rare situations, related succeeding tenants can inherit the exemption. The normal rules that restrict social sector tenant's eligible rent by either:

- 14% reduction for one spare bedroom; or
- 25% reduction for two or more spare bedrooms will apply anyway again from 3<sup>rd</sup> March 2014.

We have granted exemptions for the period above and written to tenants to make them aware of the situation. Those tenants who we identified were also advised why we believe they did not qualify and their options.

If you think you may have qualified but we have not written to you, please contact us.

### Social Housing spare room subsidy rules from 4<sup>th</sup> December 2013

Further amendments to the rules were made from 4<sup>th</sup> December 2013, which update the number of bedrooms allowed under the spare room subsidy rules as follows:

- to allow for an additional bedroom for a severely disabled child who is entitled to the middle or higher rate of the care component of Disability Living Allowance; where they would normally be expected to share a bedroom with another child, under the normal rules
- to allow for an additional bedroom for joint tenants with a spare bedroom used by overnight carers or a foster child

### April 2014 uprating of benefits

Benefits in general for working age claimants will be capped to an increase of 1% in April 2014. This is the second year of the Government cap. In effect this is a cut to these benefits when compared to inflation, which a guide was 2.7% in September 2013 and is known as the Consumer Price Index (CPI). The Government decided to protect pensioner and certain disability benefits, which will increase by CPI of 2.7%. Employment and Support Allowance will only increase by 1% except if you get the support component. HB applicable amounts will increase by a minimum of 1%.

### New edition of the LHA guide out now

We have updated the LHA the complete guide January 2014 is available from us. It takes account of changes in legislation from 4<sup>th</sup> December 2013 and April 2014 (details overleaf). To get copies of the leaflet or if you want more:

- Download and print as double sided from [www.merton.gov.uk/local\\_housing\\_allowance](http://www.merton.gov.uk/local_housing_allowance); or
- Ask for it at Merton Link

## Local Housing Allowance changes since 4<sup>th</sup> December 2013 for private tenants

Further amendments to the rules were made from 4<sup>th</sup> December 2013, which update the number of bedrooms allowed under the spare room subsidy rules as follows:

- to allow for an additional bedroom for a severely disabled child who is entitled to the middle or higher rate of the care component of DLA; where they would normally be expected to share a bedroom with another child, under the normal rules
- to allow for an additional bedroom for joint tenants with a spare bedroom used by overnight carers or a foster child

## LHA rates for April 2014

LHA increases from 1 April 2014 are based on four factors, the lowest of which determines the amount of increase. These are:

- the April 2013 LHA rate plus 1%
- the April 2013 LHA rates plus 4% (for targeted LHA affordability funding)
- the rent for three in ten properties (30<sup>th</sup> percentile) at September 2013 or
- the overall LHA cap set by the DWP

There is more information about these at [www.merton.gov.uk](http://www.merton.gov.uk) under L for Local Housing Allowance in the A-Z of services.

BRMA	LHA weekly rates From 1 April 2014 to 31 March 2015				
	Shared room	One bed	Two beds	Three beds	Four beds
Inner South West London	£90.75 (4%)	£244.06 (4%)	£299.34 (LHA cap)	£350.95 (1%)	£412.89 (LHA cap)
Outer South West London	£81.64 (4%)	£207.69 (30 <sup>th</sup> percentile)	£269.81 (4%)	£324.00 (4%)	£407.85 (4%)
Outer South London	£79.29 (1%)	£160.79 (1%)	£202.47 (1%)	£268.40 (4%)	£331.13 (4%)

## Local Welfare Assistance

Merton has been providing local welfare assistance since 1<sup>st</sup> April 2013 and will continue to do so. If you have lived in Merton for at least three months you may be eligible for a short term crisis award or help like food bank vouchers and help with essential household items like mattresses and reconditioned cookers and washing machines. The DWP will still award Cold weather payments; Funeral Payments; Sure Start Maternity Grants and Winter Fuel Payments. More information can be found at

- [www.merton.gov.uk/lwss](http://www.merton.gov.uk/lwss)
- Phone us on 020 8274 4903
- Email us at [Housing.Benefits@merton.gov.uk](mailto:Housing.Benefits@merton.gov.uk)

## Benefits cap since 15<sup>th</sup> July 2013

The Benefits cap has been implemented for all of those claimants that the Department for Work and Pensions told us should be capped. It started in Merton from 15<sup>th</sup> July onwards and was completed by 30<sup>th</sup> September 2013 for all existing claims. It has affected approximately 180 households. Larger families and households tend to have higher total benefits, so they have been affected the most. But we have worked closely with Merton Housing Options Team in providing data, so that other options like:

- Moving into work to get the Working Tax Credit exemption
- Downsizing or moving to cheaper accommodation
- Claiming DHP or
- Budgeting advice have enabled to manage this vulnerable group of claimants better.

The benefit cap limits total benefits to:

- £350 for single claimants
- £500 per week for couples or families.

The cap is applied to HB after the total household benefits, including Income Support, Jobseekers Allowance, Tax Credits, Child Benefit and Housing Benefit are added up (except for HB paid for Supported Exempt Accommodation).

You are exempt from the benefits caps if:

- You or your partner are of State Pension Credit age
- You or your partner are entitled to or receive working tax Credit and have claimed it from HMRC
- You or your partner receive war widows or widowers pensions or armed forces compensation
- You or your partner receive industrial injuries benefits;
- if you or your partner or child receive DLA or PIP.

There is also limited protection of up to 39 weeks, if you or your partner has worked continuously for at least 50 of the last 52 weeks prior to you becoming unemployed. This is called a grace period.

## Universal Credit progress

Universal Credit was not rolled out nationally from October 2013. Instead the Government has decided to launch UC Pathfinder Pilots in some areas, but not Merton. Hammersmith is the nearest area. But you would stay on UC if you moved from there to Merton. There are ten UC pathfinder Pilots at the time of this newsletter and more will follow in the north east of England over the next two years. At present it seems likely that the transfer to UC of claimants from any of the six legacy benefits below will not start until 2016. The timetable for complete transfer may go beyond 2017 to 2020. We will wait for the outcome of the UC Pathfinder Pilots and start to work on developing the UC Local Support Services Framework.

UC will replace six main benefits Income Support, Income based Jobseeker's Allowance (JSA), Income related Employment and Support Allowance (ESA), Child Tax Credit, Working Tax Credit, HB.

Child Benefit, Personal Independence Payments, Disability Living Allowance, contribution based ESA and JSA and local Council Tax Support and other social security benefits remain outside of UC.

## Non dependant deduction increases

Just like applicable amounts and DWP benefit increases, the Government have increased non dependant deductions for the third year. The new amounts and increased amounts since last April are shown below. The DWP has increased HB non dependant deductions and we have agreed slight in creases for local CTS. The highest HB deduction increases from £87.75 to £91.15 per week

Non dependant category - Gross weekly income ranges or circumstances	HB non dependant deduction from April 2014	Increase since April 2013	CTS non dependant deduction from April 2014	Increase since April 2013
£406.00 per week or more	£91.15	£3.40	£11.25	£0.30
£326.00 to £405.99	£83.05	£3.10	£9.40	£0.25
£245.00 to £325.99	£72.95	£2.75	£7.45	£0.20
£188.00 to £244.99	£44.55	£1.65	£7.45	£0.20
£128.00 to £187.99	£32.45	£1.20	£3.70	£0.05
Less than £128.00	£14.15	£0.55	£3.70	£0.05
Aged 18 or more not working	£14.15	£0.55	£3.70	£0.05

Depending on the circumstances of the claimant, partner or the non dependant, there can be nil deductions.

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.  
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