

Housing Benefit Circular

Department for Work and Pensions
Caxton House, Tothill Street, London SW1H 9NA

HB A15/2013

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	All Housing Benefit staff
ACTION	For information
SUBJECT	Administration of the Benefit cap

Guidance Manual

The information in this circular does affect the content of the HB/CTB Guidance Manual. Please annotate this circular number against *paragraph 5.20 – 5.159*

Queries

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Administration of the Benefit cap

Introduction

1. This circular contains details of the provisions contained in the Welfare Reform Act 2012 that introduced a cap on the total amount of benefits to which working-age people can be entitled. The cap was introduced in Bromley, Croydon, Enfield, and Haringey from April 2013, and will be implemented in the rest of the country from 15 July 2013.
2. The level of the cap will be:
 - £500 per week for couples (with or without children) and lone parents
 - £350 per week for single adults
3. Households that meet the qualifying conditions for Working Tax Credit (WTC) will be exempt from the cap to ensure that someone in work will be better off than if they were on benefits. This includes claimants who may satisfy the qualifying conditions but whose earnings mean they receive no actual tax credits. There are other exemptions from the cap details of which can be found at paragraph 8.
4. In the first instance the Benefit cap will be delivered by local authorities (LAs) as part of the administration of Housing Benefit (HB) payments. In the long term it will be administered as part of the new Universal Credit system.
5. A description of the regulations implementing the Benefit cap can be found at Annex A.

Working age benefits included

6. The benefits that will be taken into account when calculating the cap are:
 - Bereavement Allowance (BA)
 - Carer's Allowance (CA)
 - Child Benefit (ChB)
 - Child Tax Credit (CTC)
 - Employment and Support Allowance (ESA) (contribution-based and income-related) except where the Support Component has been awarded
 - Guardian's Allowance (GA)
 - Housing Benefit (HB)

- Incapacity Benefit (IB)
 - Income Support (IS)
 - Jobseeker's Allowance (JSA) (contribution-based and income-based)
 - Maternity Allowance (MA)
 - Severe Disablement Allowance (SDA)
 - Widow's Pension, Widowed Mother's Allowance, and Widowed Parent's Allowance
7. The amount to be used in the calculation is the full award before any reductions are made for repayment of overpayments and payments to third parties. However, If earnings, capital or other income are taken into account in the assessment of a claimant's benefit the amount to be used when calculating the total household income for Benefit cap is the award of benefit less any deductions for earnings, other income or capital.
8. Where the claimant is subject to a benefit sanction the amount included in the cap calculation is the full award before any reductions are made for the sanction.

Households that aren't affected by the cap

9. The cap won't apply where a member of the household qualifies for:
- Working Tax Credit (WTC) (a claim for WTC must be made)
 - Disability Living Allowance (DLA)
 - Personal Independence Payment (PIP)
 - Attendance Allowance (AA)
 - Industrial Injuries Benefits (IIB)
 - ESA, if paid with the support component
 - Armed Forces Compensation Scheme Payments (AFCS)
 - Armed Forces Independence Payment (AFIP)
 - War Pensions Scheme Payments (WPS) (including War Widow's/Widower's pension and War Disablement Pension)

Definition of household

10. The definition of a household for the purpose of applying the Benefit cap is:

- a single adult; or
 - a couple; and
 - any child or qualifying young person for whom that adult or couple are treated as responsible for when working out their HB
11. An HB claimant cannot be exempt from the cap based on the circumstances of a non-dependant living in the same house; even if non-dependant deductions are being made.

Working with the Department for Work and Pensions

Benefit Cap Calculation Team

12. The Benefit Cap Calculation Team (BCCT) is based in Belfast, and is responsible for administering the cap for the Department for Work and Pensions (DWP). They will be conducting the 100% check on the award rates of all DWP and Her Majesty's Revenue and Customs (HMRC) benefits before any case is submitted to an LA for a potential cap to be applied. LAs will be notified of all existing and new awards potentially subject to the cap; and any changes of circumstances once a case has been capped; via the Automatic Transfer to Local Authority System (ATLAS). The BCCT are also responsible for answering complex queries from LAs regarding Benefit cap matters.
13. An LA email template has been designed to be used when exchanging information between LAs and the BCCT. This form will include personal details and must be sent using a secure email account (GCSX in England and Wales, GSX in Scotland). DWP will only send responses to a secure email address. This template should be used when:
- the LA has not applied the cap to a current or new cap claim after receiving an 'Apply cap' notification from DWP
 - the HB award amount has changed, and where this takes the total amount of benefits below the cap threshold
 - the claimant is no longer in receipt of HB in the borough
 - the claimant wants to query the itemised calculation other than HB
 - the claimant has a query on a Grace Period
 - other complex queries not covered by the above
14. In all the cases the LA should include the current award of HB (full award, not capped amount), and the date it is effective from.

15. The BCCT will endeavour to deal with the query and respond to the claimant within the standard 3 hours call back time.
16. In exceptional circumstances the BCCT may need to clarify the claimant's circumstances with the LA before completing the Benefit cap assessment. In these cases they will send the email template to the LA with the details of the query.

Data Sharing

17. [HB/CTB circular A5/2012](#) provides details about new data sharing powers in the Welfare Reform Act 2012, and the Social Security (Information-sharing in relation to Welfare Services etc) Regulations 2012.
18. These regulations enable LAs to share information with other departments within the LA (including county councils). LAs can also share information with relevant service providers, or in limited circumstances, with social landlords. Information can be shared in order to help identify people who will be affected by the cap, and who as a result may need help or support. LA HB teams in England can also provide Benefit cap information to the Troubled Families team for purposes connected with supporting troubled families.
19. DWP is also able to share the claimants' employment status which may help LAs administer the cap effectively. This data sharing will be a local agreement with Jobcentre Plus.

DWP and LA action

20. Although legislation allows it, DWP will not expect LAs to administer a cap until DWP has sent the LA the notification to apply the cap.
21. The notifications that DWP will send to LAs are:
 - Apply cap
 - Remove cap
 - Adjust cap because of a change of circumstances
 - Make LA aware of a Grace Period

Current claims in payment at 15 July 2013

22. On 15 April 2013 DWP began sending cap notifications to Bromley, Croydon, Enfield, and Haringey for claims that were in payment. These notifications included details of all DWP/HMRC benefits in payment, with gross award amounts. From 15 July 2013, we will implement the cap in the remaining LAs, with all relevant claimants capped by the end of September 2013.

DWP action

23. The BCCT will consider each case before sending the notification to the LA. The BCCT member will make a check **in all cases** to ensure:

- the personal details shown in the household details screen for claimant/partner are correct
- the number of dependent(s) shown in household details screen, if applicable, are correct
- there are no awards of exempt benefits in place
- there is no eligibility for a Grace Period
- the gross amount of benefits shown in the benefits award screen are correct
- the cap threshold shown in the confirmation screen is correct

24. The BCCT has access to the ChB on line system and can therefore see up to date information on the current award of ChB. This means the LA can be confident that the ChB award included in the cap calculation is correct. The BCCT also check CA computer system (CAS) and New Tax Credit (NTC) system to verify the awards. DLA computer service (DLACS)/Customer Information System (CIS) will be used to check awards of DLA in payment to dependant children.

25. If after all these checks, a Benefit cap may still apply, the Benefit Cap Application System (BCAS) will produce a Benefit cap notification which will be passed to the LA through the ATLAS system.

LA action

26. Once an LA receives the notification to cap a claim they should add the current weekly award of HB to the DWP/HMRC benefits in payment and reduce the amount of HB in payment by the appropriate amount from the Monday following

the date the LA decision is made. This process is designed to be mainly automated through the LA Information Technology (IT) systems.

27. HB should be reduced by the amount of benefits the claimant is entitled to over the cap level (£350 or £500). If the amount of the reduction would completely exhaust the HB in payment, then the LA must leave £0.50 pence in payment.
28. Annex B, examples 1 and 2 provide examples of these calculations.
29. DWP will not be able to identify claimants who are in receipt of AFCS, Guaranteed Income Payments or WPS – this includes War Widows / War Widowers pensions and War Disablement pension. All other Benefit cap exemptions will be identified by DWP. In cases where the LA identifies an exempt benefit that has not been picked up by DWP, the LA should use the LA email template to tell DWP of the exempt benefit.
30. When the LA identifies a discrepancy with the claim, such as, the ATLAS record suggesting the claimant has a partner or where LAs records show a single claimant, the LA should suspend the HB claim until it can confirm the claimant's circumstances. If the Benefit cap calculation needs to be amended the LA should send the LA email template to the BCCT.
31. When the LA does not apply the cap on a case they should notify the DWP BCCT, using the LA email template, of the reason why the cap was not applied. The LA should include the current award of HB, including a nil amount in those cases where HB is no longer in payment. An example Award Notification can be found at Annex C.
32. In exceptional cases DWP may need to send a clerical notification to an LA. In these cases BCCT will make contact with the LA to advise that a clerical cap notification will be sent and then send over the relevant paperwork.

New claims made after July 2013

33. LAs will receive new claims to HB from claimants after 15 July 2013 that are likely to be subject to the cap. In these cases the LA should assess and decide the claim as normal, whilst providing any help and advice it feels appropriate. DWP will identify these cases on subsequent scans and notify the LA of the requirement to cap the case. This should help ensure that the cap is applied accurately and consistently.
34. DWP will conduct the same checks as described in paragraph 23. LAs should then take the same action as for the current claims. The HB should be reduced from the Monday following the LA decision to apply the cap.

35. If the LA does not apply the cap on a case they should notify the BCCT of the reason why the cap was not applied using the LA email template. The LA should include the current award of HB, including a nil amount in those cases where HB is no longer in payment.
36. An LA may want to include a process where it attempts to identify new claimants that may subsequently be subject to the cap. Although the LA will not be required to cap a case until instructed by DWP, they may want to alert claimants to the fact that benefit may be reduced if total benefit is over the threshold. The LA may want to work with these claimants in order to change their circumstances so that cap would no longer apply.
37. If an LA receives a claim for HB from a claimant and there is no break in claim the LA should re-instate the claim with the cap in place, using the previous benefits amount sent by DWP.
38. If the LA receives a claim for HB from a claimant who has been subject to the Benefit cap in the four weeks preceding the new HB claim, at the same address, the LA should send the email template to the BCCT to confirm a break in claim has occurred. The LA should include the current rate of HB in payment. DWP will then confirm the DWP and HMRC amounts and will send a new **Apply cap** notification. The LA should wait for the new **Apply cap** notification before re-instating HB.

Change of circumstances

DWP action

39. The BCCT will be responsible for notifying the LA of changes of circumstances to any DWP/HMRC benefits where claimants are currently capped. The BCCT will be notified of the change either by the via daily CIS reports or through a monthly scan of the benefit system.
40. The BCCT will undertake the same checks as described at paragraph 23 before sending the notification to the LA via ATLAS.

LA action

41. The effective date for a change of circumstance that requires an adjustment to the Benefit cap will differ depending on the circumstances of individual cases. If the change results in:

- a **Remove cap** notification because the household becomes exempt*, or a reduction in the cap amount that increases the amount of HB to be paid**, then the change is effective from the date of the original change of circumstances and any arrears can be paid as in Annex B example 9* and 4**
 - an increase in the capped amount and a decrease in payment of HB, the change is effective from the Monday following the decision as in Annex B example 3. No overpayment will have accrued for the period between the original effective date of change and the date the LA makes the decision to amend the cap
42. The LA should only amend the cap without the **Adjust cap** notification from DWP when the change only affects the HB amount. This includes when the claimant changes address within the borough. The LA should use the existing cap notification and add the new HB award and continue to apply the cap. As the previous cap notification remains in place the LA cannot pay over the appropriate threshold.
43. If the claimant reports a change of circumstances to the LA that also affects DWP/HMRC benefits, the LA should re-assess the HB entitlement and send the LA email template to the BCCT with details of the new HB award and the change. The LA should also advise the claimant to report the change directly to DWP and HMRC. The LA must still apply the cap to any payments they may make using the existing DWP benefit rates.
44. The LA should then await the revised Benefit cap notification from the BCCT.
45. The BCCT will then undertake a new check of the amounts of benefit in payment and once the change has been processed they will notify the LA via ATLAS of the change to the cap.
46. Overpayment action may be required if the change reduces the rate of HB award and a delay in actioning the change is caused by a failure to disclose, or fraudulent action by the claimant. If the reduction in HB results in the cap being removed and the claimant has been overpaid then that overpayment should be calculated and administered as normal. Annex B, example 6 provides an example of this calculation.
47. If the claimant starts work and satisfies the conditions for a HB extended payment, the LA can remove the cap and the payment can be made at the full HB award without the cap. You should complete the email template to notify The BCCT that the claimant has satisfied the conditions for an extended payment.

48. Annex B includes a further 5 examples of changes of circumstances and how the various changes affect the cap.

Dual cases

49. In certain cases the LA may have two HB claims for one claimant. DWP has been able to identify these claims through the Single Housing Benefit Extract (SHBE) and will add together the two HB amounts to make the initial calculation on the overall benefits the claimant receives. The BCCT will then send the **Apply cap** notification to the LA listing all DWP/HMRC benefits. The LA IT systems will automatically output cases where more than one award exists for the same claim for clerical intervention.

50. The LA should apportion the cap pro-rata over the two HB claims. For example, if the claimant receives HB of £100 and £80, and DWP benefits of £400. Therefore, once the cap has been applied, the HB due to be paid will be £56 on the first claim and £44 on the second (always round to the nearest £1)

51. We are currently considering the impact of dual cases in different LAs and will provide an update once it is clear how these claims will be administered.

Grace Period

52. DWP's BCCT will administer the Grace Period entitlement process. They will advise the LA if a Grace Period should apply via ATLAS.

53. A Grace Period will apply if the claimant, partner or ex-partner:

- has been engaged in paid employment or self-employment for 50 out of 52 weeks immediately preceding their last day of work. This need not have been full time employment. It can have been work for any amount of hours and/or days, and
- during that time the claimant was not entitled to IS; JSA or ESA, for any period in more than 2 weeks. The weeks do not need be consecutive. For example, a claimant who received a single day's benefit in 3 separate weeks in the preceding 52 is not entitled to a Grace Period

54. The Grace Period is a continuous 39 week deferral of the Benefit cap with no linking periods and is applied for full weeks. The Grace Period begins on the first day of unemployment.

55. DWP will treat someone as being employed if they are on:

- maternity leave and in receipt of Statutory Maternity Pay (SMP)
 - paternity leave
 - adoption leave
 - in receipt of statutory sick pay
56. The BCCT will consider if a Grace Period could apply and will send the claimant a declaration to complete and return. BCCT members will then decide on the evidence provided if a Grace Period applies. The BCCT member will notify the claimant and the LA of the start and end date of the Grace Period. The claimant will receive a notification from DWP that the Grace Period is ending four weeks before the end date.
57. When the claimant provides evidence of entitlement to a Grace Period after the cap has been implemented, DWP will send the LA a **Remove cap** notification stating that a Grace Period has been awarded. The notification will include the dates of the Grace Period. This may result in arrears of HB being paid.
58. Either member of a couple can meet the eligibility for a Grace Period.
59. When a claimant notifies DWP of a new partner and one of them has previously had a Grace Period which still has time remaining, the Grace Period will apply to the new couple.
60. When both members of the newly formed couple had a Grace Period in their own right, the Grace Period that has the longest time remaining will apply to the new case.
61. When a couple separate and one or both make a new claim to benefit, the time remaining on the Grace Period previously awarded on the couple's case will be applied to both.
62. When a claim is received from someone who has recently separated, that claimant can apply for a Grace Period based on the circumstances of their ex partner. If that ex partner would satisfy the conditions for a Grace Period, then this can be claimed by the partner submitting the claim.

Appeal and reconsiderations

63. The regulations do not allow for an appeal which is based solely on the application of the cap of the amount set out in the legislation. Any appeal in respect of an award of HB where the Benefit cap has been applied will be treated

in the same way as any other appeal against an award of HB. As the LAs will be making a new HB award decision at the time of applying the cap, claimants will be able to appeal against the actual decision and the normal appeal process will be followed to assess if it is in jurisdiction or not.

64. The cap will still apply while any appeal to an exempt benefit is outstanding.

Supported Exempt Accommodation

65. In the Autumn Statement on 5 December 2012 the Government announced that HB paid to households in Supported Exempt Accommodation (SEA) is being disregarded from the Benefit cap. The disregard will apply both to Benefit cap cases under HB from April 2013 and under Universal Credit. While this does not mean that these households are exempt, by not including HB in the calculation we expect that the vast majority of these cases will no longer be affected by the Benefit cap.

66. If DWP is aware that the case relates to an SEA claim it will calculate the overall benefits using nil HB. However, DWP will be unaware of some supported accommodation that is exempt and in these cases may send an “apply cap” notification to the LA.

67. Once the LA is aware that the claimant lives in SEA it should calculate the new amount of the cap using nil HB. If the claimant’s benefits are still over the cap threshold the LA should reduce the HB accordingly. Annex B, example 11 provides an example of this calculation.

68. If the claimant’s benefits are below the cap level the LA should complete the email template and send it to the BCCT, explaining that the tenancy is SEA and that the claimant’s benefits are now below the cap threshold.

69. In April 2013 the SHBE scan will be amended to include SEA as a tenancy type. It is important that LAs, once they are aware that a claim relates to SEA, ensure this field is correctly completed. DWP will then be able to identify and calculate SEA claims correctly.

Discretionary Housing Payments

70. The Government is providing additional funding through Discretionary Housing Payments (DHPs) of up to £65 million in 2013/14 and up to £35 million in 2014/15. This is to support those claimants affected by Benefit cap who, as a

result of a number of complex challenges, cannot immediately move into work or more affordable accommodation. All the usual DHP rules apply; however, the increased funding is aimed at a number of groups who are likely to be particularly affected by the Benefit cap. These include (but are not limited to):

- those in supported, exempt or temporary accommodation
- individuals or families fleeing domestic violence
- those with care, including kinship responsibilities
- individuals or families who cannot move immediately for reasons of health, education, or child protection
- households moving to more appropriate accommodation

Annex A

Description of Regulations

Housing Benefit (Benefit cap) Regulations 2012

These regulations will implement a cap on working age benefits as set out in Sections 96 and 97 of the Welfare Reform Act 2012. In April 2013 a cap will be introduced on the total amount of benefit that working-age claimants can be entitled to so that households on out of work benefits will no longer receive more in benefit than the average weekly wage, after tax and national insurance.

The regulations set out:

- the level of the Benefit cap
- how a household's overall entitlement to welfare benefits will be calculated for the purpose of the cap
- what benefits will or will not be taken into account
- how any reduction will be applied
- exemptions
- the relationship between the cap and benefit sanctions and other deductions
- rules on decision-making and appeals

Regulation 2 makes consequential amendments to the HB (General) Regulations 2006 to include definitions for ESA and JSA in regulation 2. It also inserts a new provision into those dealing with extended payments of HB so that where a claimant who's HB has been reduced under the Benefit cap is eligible for an extended payment; the rate of the extended payment should be calculated using the amount of HB before any reduction for the Benefit cap is made.

Regulation 2 also inserts a new part, "Part 8A" into the HB Regulations 2006, which provides for the application of the Benefit cap. Specifically:

Regulation 75A – Circumstances in which a Benefit cap will apply

This regulation stipulates that unless a household meets the exemption criteria as defined in regulation 75E, the Benefit cap will apply when an LA determines that the total amount of welfare benefits a couple or a single claimant are entitled to is above the level of the cap.

Regulation 75B – Determination of whether a Benefit cap applies

This regulation provides for when the LA should apply the Benefit cap and make any changes to the level of reductions being made under the Benefit cap provisions.

Regulation 75(B) provides that LAs need not apply the Benefit cap until it receives this notification from the Secretary of State. However there will be no legal impediment to the LA determining whether the cap should apply if it receives information or evidence from a source other than Jobcentre Plus that the cap might apply.

Where the Benefit cap is already in place and there is a change in the level of a household's entitlement to a welfare benefit that would affect the amount of the reduction being made or would cause the application of the cap to cease, the LA would be required to administer the change as soon as it received notification.

Regulation 75C – Calculating the amount of welfare benefits

This sets out the manner for determining the total amount of welfare benefits to be considered for the purposes of applying the Benefit cap.

The total level of overall entitlement to welfare benefits for the purposes of the cap will be calculated by adding together the amount of entitlement for each of the prescribed benefits in payment except in the case of CTC.

The award will be the amount for each benefit after any necessary deductions for earnings, income, or capital.

Where a claimant receives less benefit than which they are entitled to then the amount the LA should use should be the gross amount payable. However, the gross amount payable is the amount before any reduction for sanctions, recoveries of over-payments or Third Party Deductions.

The exception will be CTC where, if the award of CTC is subject to a deduction by way of a recovery of an over-payment, the amount taken into account for the purposes of the cap will be the amount of the award less the amount of the deduction. This mirrors the treatment of tax credits in the determining of entitlement to HB.

Where the claimant lives in SEA the amount of HB to be used in the calculation should be nil.

Regulation 75D – Reduction of HB

This regulation prescribes that under the Benefit cap provisions, the LA must reduce the level of HB by the amount by which the claimant's and their partner's (if applicable) total entitlement to welfare benefits exceeds the level of the cap.

In circumstances where the HB weekly payment would reduce to nil, a de minimis weekly amount of £0.50 pence will remain in payment to enable access to the DHP and passported benefits.

Regulation 75E – Exception to the Benefit cap: current or recent work

This regulation provides that the Benefit cap will not apply if the claimant is, or the claimant and the claimant's partner are, jointly entitled to WTC.

It also sets out the conditions for applying a Grace Period from the application of the cap, including its duration, its qualifying conditions and the date it should start on.

The Grace Period should run for a period of 39 consecutive weeks. It should begin on the day after the last day on which the claimant or, if applicable, their partner was employed as set out in regulation 75E(5).

The qualifying conditions for the Grace Period are that the claimant or their partner must, for at least 50 out of the 52 weeks immediately preceding their last day of work have been:

- employed or engaged in work for payment or in the expectation of payment
- not entitled to IS, JSA or ESA

The qualifying conditions for the Grace Period can be met by either member of a couple but this must be done so independently not cumulatively.

The regulations allow for up to two weeks between periods of employment when assessing a continuous 12 month period. This offers protection to people who may have moved employment in this period and who have had a short break between employers/contracts. A claimant will be allowed to have claimed an out of work benefit in these two weeks.

Regulation 75F – Exceptions to the Benefit cap; receipt of specified benefits

This regulation provides for exemptions when the Benefit cap should not apply.

When a member of the household is in receipt of one of the listed benefits the household will be exempt for the period for which they receive it;

- ESA support component (exemption will start from the point the support component is awarded)
- IIB (this includes all the benefits listed in s. 94(2) of the Social Security Contributions and Benefits Act (SSCBA) 1992, which are disablement benefit/pension, reduced earnings allowance, retirement allowance and industrial death benefit)
- AA
- WPS (as defined by the regulation)
- DLA (this will also apply to PIP when it is introduced)
- and the exemption will continue if a claimant is entitled to one of the above but is not receiving it because they have gone into hospital or a care home

Regulation 75G - Interpretation

If the claimant is a part of a polygamous marriage their partner for Benefit cap calculations will be the other member of the polygamous marriage to whom they were first married. Any other partners will be treated as being in a separate household and assessed accordingly.

The “reference period” over which application of the Benefit cap will be assessed will be a week. The cap will not be considered for any part week payments of HB.

The “relevant amount” is the maximum amount of welfare benefits that a single claimant or couple can be entitled to unless they meet one of the criteria for an exemption. As set out above, the relevant amount for single childless claimants will be £350 a week and £500 a week for everybody else.

The “welfare benefits” that are to be included when determining whether the Benefit cap should be applied are listed in this regulation.

Regulation 3 inserts new provisions to The HB and CTB (Decisions and Appeals) Regulations 2001 to allow a decision to reduce HB under the Benefit cap to be revised at any time and to allow LAs to supersede an earlier decision which has applied the Benefit cap. It also sets out the effective date from which a supersession should be applied. This should be:

- where the supersession results in the cap being applied, the decision should be applied from the day it is made
- where the supersession results in an increase in the reduction to be made under the cap, the decision should be applied from the day the LA is notified of the relevant change
- where the supersession results in the cap ceasing to apply or a decrease in the reduction to be made under the cap, the decision should be applied from the date on which the relevant change occurred

Examples of calculations of the Benefit cap

For consistency all examples are based on a £500 cap, although the same principles would apply to a £350 cap. Rates of benefits used are purely illustrative for the purposes of explaining how the cap will be applied.

Example 1: Current claim or new claim

Benefits in payment before 15 April 2013		Total benefits in payment post 15 April 2013	
Jobseekers Allowance	£111.45	Jobseekers Allowance	£111.45
Child Tax Credit	£268.45	Child Tax Credit	£268.45
Child Benefit	£73.90	Child Benefit	£73.90
Housing Benefit	£300.00	Housing Benefit	£300.00
Total benefits in payment	£753.80		£753.80
Total capped			£253.80
Housing Benefit entitlement			£46.20

Example 2: Current claim in payment at April 2013, with cap higher than amount of HB in payment

Benefits in payment before 15 April 2013		Total benefits in payment post April 2013	
Jobseekers Allowance	£111.45	Jobseekers Allowance	£111.45
Child Tax Credit	£320.04	Child Tax Credit	£320.04
Child Benefit	£87.30	Child Benefit	£87.30
Housing Benefit	£400.00	Housing Benefit	£400.00
Total benefits in payment	£918.79		£918.79
Total capped			£399.50
Housing Benefit entitlement			£0.50

Example 3: Change of circumstance, new child arrives 1 July 2013, no change to the LHA rate

Current benefits in payment from 15 April 2013		LA adjusts benefit from 1 August 2013	
Jobseekers Allowance	£111.45	Jobseekers Allowance	£111.45
Child Tax Credit	£268.45	Child Tax Credit	£320.04
Child Benefit	£73.90	Child Benefit	£87.30
Housing Benefit	£300.00	Housing Benefit	£300.00
Total benefits in payment	£753.80		£818.79
Total capped	£253.80		£299.50
Housing Benefit entitlement	£46.20		£0.50

Although HB entitlement has gone down, we will not want to create an overpayment. The change should therefore be processed from the first Monday after the date a decision is made by the LA.

Example 4: Change of circumstance, two children leave home 1 July, no change to LHA rate

Current benefits in payment from 15 April 2013		LA adjusts benefit from 1 August 2013	
Jobseekers Allowance	£111.45	Jobseekers Allowance	£111.45
Child Tax Credit	£268.45	Child Tax Credit	£161.32
Child Benefit	£73.90	Child Benefit	£47.10
Housing Benefit	£200.00	Housing Benefit	£200.00
Total benefits in payment	£653.80		£519.87
Total capped	£153.80		£19.87
Housing Benefit entitlement	£46.20		£180.13

LA have underpaid by £133.93 per week from 1 July 2013 to 1 August 2013 so arrears are due from 1 July 2013.

Example 5: Non dependant moves in 1 July 2013

Current benefits in payment from 15 April 2013		LA adjusts benefit from 1 August 2013	
Jobseekers Allowance	£111.45	Jobseekers Allowance	£111.45
Child Tax Credit	£268.45	Child Tax Credit	£268.45
Child Benefit	£73.90	Child Benefit	£73.90
Housing Benefit	£200.00	Housing Benefit	£136.03
Total benefits in payment	£653.80		£589.83
Total capped	£153.80		£89.83
Housing Benefit entitlement	£46.20		£46.20

HB entitlement has not changed, LA should apply the change to the cap calculation from the Monday following the date the decision is made, even though the HB underlying entitlement has gone down from 1 July 2013.

Example 6: Non dependant moves in 1 July 2013, change takes claimant below cap threshold

Current benefits in payment from 15 April 2013		LA adjusts benefit from 1 August 2013	
Jobseekers Allowance	£111.45	Jobseekers Allowance	£111.45
Child Tax Credit	£160.02	Child Tax Credit	£160.02
Child Benefit	£47.10	Child Benefit	£47.10
Housing Benefit	£200.00	Housing Benefit	£136.03
Total benefits in payment	£518.57		£454.60
Total capped	£18.57		£0.00
Housing Benefit entitlement	£181.43		£136.03

In this example the cap no longer applies. The change means that the HB is independent of the cap. Therefore, the claimant has been overpaid benefit from 1 July 2013, to 1 August 2013. The claimant has been overpaid £45.40 per week. An overpayment calculation should be completed and the claim administered as normal.

Example 7: Non dependant moves out 1 July 2013

Current benefits in payment from 15 April 2013			LA adjusts benefit from 1 August 2013	
Jobseekers Allowance	£111.45		Jobseekers Allowance	£111.45
Child Tax Credit	£268.45		Child Tax Credit	£268.45
Child Benefit	£73.90		Child Benefit	£73.90
Housing Benefit	£200.00		Housing Benefit	£250.00
Total benefits in payment	£653.80			£703.80
Total capped	£153.80			£203.80
Housing Benefit entitlement	£46.20			£46.20

The HB entitlement has not changed, and therefore the LA should apply the change to the cap calculation from the Monday following the date the decision is made by the LA.

Example 8: Claimant moves from JSA to ESA, no change to HB

Current benefits in payment from 15 April 2013			LA adjusts benefit from 1 August 2013	
Jobseekers Allowance	£111.45		Employment Support Allowance	£127.25
Child Tax Credit	£268.45		Child Tax Credit	£268.45
Child Benefit	£73.90		Child Benefit	£73.90
Housing Benefit	£200.00		Housing Benefit	£200.00
Total benefits in payment	£653.80			£669.60
Total capped	£153.80			£169.60
Housing Benefit entitlement	£46.20			£30.40

Although HB entitlement has gone down, The LA should not calculate an overpayment. The change of circumstance should therefore be processed from the first Monday after the date a decision is made by the LA.

Example 9: DLA awarded to child on 1 July 2013

Current benefits in payment from 15 April 2013		LA adjusts benefit from 1 August 2013	
Jobseekers Allowance	£111.45	Jobseekers Allowance	£111.45
Child Tax Credit	£268.45	Child Tax Credit	£268.45
Child Benefit	£73.90	Child Benefit	£73.90
Housing Benefit	£200.00	Housing Benefit	£200.00
Total benefits in payment	£653.80		£653.80
Total capped	£153.80		£0.00
Housing Benefit entitlement	£46.20		£200.00

LA has under paid HB from 1 July 2013 to 1 August 2013 at £153.80 per week. Effective date should be 1 July 2013 and arrears paid.

Example 10: 2 children and non dependant leave home 1 July 2013 – change to LHA rate

Current benefits in payment from 15 April 2013		LA adjusts benefit from 1 August 2013	
Jobseekers Allowance	£111.45	Jobseekers Allowance	£111.45
Child Tax Credit	£268.45	Child Tax Credit	£161.32
Child Benefit	£73.90	Child Benefit	£47.10
Housing Benefit	£136.03	Housing Benefit	£200.00
Total benefits in payment	£589.83		£519.87
Total capped	£89.83		£19.87
Housing Benefit entitlement	£46.20		£180.13

LA has underpaid HB by £133.93 per week from 1 July 2013 to 1 August 2013, so arrears have to be paid.

Example 11: Claimant in SEA - HB is disregarded and total benefits are below the cap.

Benefits in payment before 15 April 2013		Total benefits in payment post April 2013	
Jobseekers Allowance	£111.45	Jobseekers Allowance	£111.45
Child Tax Credit	£268.45	Child Tax Credit	£268.45
Child Benefit	£73.90	Child Benefit	£73.90
Housing Benefit	£300.00	Housing Benefit (disregarded)	£0.00
Total benefits in payment	£753.80	Excluding disregarded Housing Benefit	£453.80
Total capped			£0.00
Housing Benefit entitlement			£300.00

Example 12: Claimant in SEA with benefits still over cap amount once HB disregarded

Benefits in payment before 15 April 2013		Total benefits in payment post April 2013	
Jobseekers Allowance	£111.45	Jobseekers Allowance	£111.45
Child Tax Credit	£320.04	Child Tax Credit	£320.04
Child Benefit	£87.30	Child Benefit	£87.30
Housing Benefit	£400.00	Housing Benefit (disregarded)	£0.00
Total benefits in payment	£918.79	Excluding disregarded HB	£518.79
Total capped			£18.79
Housing Benefit entitlement			£381.21

Example award notification

Example award notification



information

This is a model document to be used as you see appropriate. Any products produced will need to meet the relevant local authority brand guidelines.

Dear «Salutation»

I am writing to tell you about a change that affects how much Housing Benefit you receive.

From April 2013, the Government introduced a 'cap' (a maximum limit) on the total amount of benefit that people can get. This means that the amount of benefit a household can receive will be limited to:

A maximum of £500 a week

- If your household is made up of a couple (with or without children), or
- If you are a lone parent (and the children you have responsibility for live with you).

A maximum of £350 a week if you are a single person and:

- you have no children; or
- the children you have responsibility for don't live with you.

This means that we have reduced your Housing Benefit to £xx per week.

How did we calculate your Benefit cap amount?

The Department for Work and Pensions [DWP] have told us that your benefit awards are as follows:

£xx [list the benefits] –

- Bereavement Allowance []
- Carer's Allowance []
- Child Benefit []
- Child Tax Credit []
- Employment and Support Allowance (except where it is paid with the support component) []
- Guardian's Allowance []
- Housing Benefit []
- Incapacity Benefit []

- Income Support []
- Jobseeker's Allowance []
- Maternity Allowance []
- Severe Disablement Allowance []
- Widowed Parent's Allowance []
- Widowed Mother's Allowance []
- Widow's Pension []
- Widow's Pension Age-Related []

*add in amounts and delete those benefits not in payment

If your benefit is paid direct to your landlord there will be a shortfall in your rent that you will have to make up out of your other money. You will need to contact your landlord to discuss the matter.

Households that aren't affected by the cap

The cap will not apply to you if you, or your partner, qualify for Working Tax Credit, or you, your partner or any children you are responsible for when working out your Housing Benefit receive any of the following:

- Attendance Allowance
- Disability Living Allowance
- Personal Independence Payment
- the support component of Employment and Support Allowance
- Industrial Injuries Benefits
- Armed Forces Compensation Scheme or war disablement pension
- Armed Forces Independence Payment
- War Widow's or War Widower's Pension

If you think the cap should not apply because you, your partner or any children you are treated as responsible for when working out your Housing Benefit, receive one or more of the above benefits you can report this to the Benefit cap helpline. The helpline number is **0845 605 7064** or textphone **0845 608 8551** for people with hearing or speech impairments. The helpline is open Monday to Friday 8am to 6pm.

Grace Periods

The 'Grace Period' is when the Benefit cap is deferred for up to 39 weeks. It starts on the day after you were last employed, if:

- you or your partner (or recent ex-partner) were in paid employment or self-employment for 50 weeks in the year before you finished, and
- you or your partner (or recent ex-partner) did not claim one of the following for any time in more than 2 weeks
 - Jobseeker's Allowance
 - Employment and Support
 - Income Support

If a Grace Period is applied it will provide you time to find another job, find more affordable accommodation or a combination of these activities.

QUESTIONS YOU MIGHT HAVE ABOUT OUR DECISION

If you want to know more about this decision or if you think the decision is wrong

Please get in touch with us, by phone or in writing, **within one month** of the date of this letter. If you contact us later we may not be able to help you. Our address and phone number are on the front page of this letter.

You, or someone else who has the authority to act on your behalf, can

- ask for an explanation
- ask for a written statement of reasons for our decision
- ask us to look again at the decision to see if it can be changed.
There may be some facts you think we have overlooked or you may have more information which affects the decision
- appeal against the decision. Please see below for more information.

You can do any of the actions listed above, or you can do all of them.

What happens if you ask us to look at the decision again?

If we can change the decision, we will send you a new decision.

If we cannot change the decision, we will send you a letter telling you why. You will have **one month** from the date of that letter to appeal if you still disagree with the decision.

How to appeal

Your appeal **must** be in writing. You must tell us which decision your appeal is against and give your reasons for the appeal.

Please send your appeal to the address at the top of this letter.

Your appeal will be heard by an independent appeal tribunal.

Which benefits count towards the cap?

These benefits all count when working out how much you can get a week:

- Bereavement Allowance
- Carer's Allowance
- Child Benefit
- Child Tax Credit

- Employment and Support Allowance (except where it is paid with the support component)
- Guardian's Allowance
- Housing Benefit – unless you are living in supported accommodation *
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance
- Maternity Allowance
- Severe Disablement Allowance
- Widowed Parent's Allowance
- Widowed Mother's Allowance
- Widow's Pension
- Widow's Pension Age-Related

* Supported accommodation is accommodation which is provided by a housing association, a registered charity, a not for profit voluntary organisation or in England a non-metropolitan county council and that body or someone acting for them that provide you with care support or supervision.

What can I do to stop the Benefit cap applying to me?

Finding work could mean that the cap would not apply to you as qualifying for WTC will mean that you are not affected by these new rules. You can find out about WTC online at –

<https://www.gov.uk/working-tax-credit>

How can I get help and support to return to work?

For help in preparing and looking for work contact your Jobcentre on 0845 6043719 to make an appointment to see a Personal Adviser.

You can also find help online at –

<https://www.gov.uk/moving-from-benefits-to-work/overview>

I have a question, who do I ask?

- If you have a question about the Benefit cap you can contact your Local Authority. Their address and phone number is at the top of this letter
- If you think the weekly amount of any of the benefits or allowances included in your Benefit cap calculation (excluding Housing Benefit) is wrong you should phone the office that pays you the relevant benefit.
- If you have a question about the benefits that have been taken into account to decide the level of the Benefit cap you that applies to you, you can phone the Benefit cap helpline. The helpline number is **0845 6057064** or textphone **0845 6088551** for people with hearing or speech impairments. The helpline is open Monday to Friday 8am to 6pm.

For Housing Benefit questions contact us on the phone number at the top of this letter.

How can I find out more about the Benefit cap?

If you would like to know more about the Benefit cap further information is online at <https://www.gov.uk/benefit-cap>

You must also tell us immediately, in writing, of any changes that may affect your benefit. Some examples of changes are: increases in your or your partner's income/savings, if someone leaves or joins your household, and any rent changes. You may also lose benefit if you do not tell us of any changes. If you are overpaid benefit, you will have to pay it back.