



Benefit cap factsheet

From April 2013 a cap was introduced on the total amount of benefit to which working-age claimants can be entitled. This means that households on out of work benefits will no longer receive more in benefit than the average weekly wage, after Tax and National Insurance.

Background

The cap was introduced from April 2013 in 4 London boroughs, Bromley, Croydon, Enfield and Haringey, and applies to the combined entitlement to the main out-of-work benefits, plus Housing Benefit, Child Benefit and Child Tax Credit. It is being introduced nationally between 15 July and the end of September 2013.

The cap is set at:

- £500 p/wk for couples and lone parents
- £350 p/wk for single adults

If the total amount of your benefit exceeds the cap level your Housing Benefit will go down. This is to make sure that the total amount of your benefit is not more than the cap level. You may have to use money from your other benefits to pay towards the rent for your home.

Exemptions

The cap won't apply if anyone in your household (you, your partner and any children you are responsible for when working out your Housing Benefit) are:

Entitled to:

- Working Tax Credit

In receipt of:

- Disability Living Allowance
- Personal Independence Payment
- Attendance Allowance
- The support component of ESA
- Industrial Injuries Benefits (and equivalent war disablement pensions and payments under the Armed Forces Compensation Scheme)
- War Widows and War Widowers pension

If you or your partner have been in employment for 50 out of the previous 52 weeks prior to claiming benefit you may be exempt from the cap for a grace period of up to 39 weeks.

Please note that any adult children living in your household, and receiving a benefit in their own right, would not normally count as part of your household for the purposes of the benefit cap.

Benefits that count towards the cap

- 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 whether paid direct to you or to your landlord (but not including Housing Benefit paid for Supported Exempt Accommodation*)
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance
- Maternity Allowance
- Severe Disablement Allowance
- Widowed Parent's Allowance
- Widowed Mother's Allowance
- Widow's Pension, including the Age-Related component

*Supported Exempt Accommodation is either a resettlement place or accommodation provided by a county council, housing association, registered charity or voluntary organisation that provides you with care, support or supervision. This accommodation can include supported housing such as group homes, hostels, refuges, sheltered housing, supported living complexes and adapted housing for the disabled.

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How can I find out more about this?

Further information and an online calculator are available at www.gov.uk/benefit-cap. The calculator can give you an estimate of how much lower your benefit might be if you get more than the cap levels.

A helpline is also available for you to call. The 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.

How can you stop the benefit cap from applying to you?

Your benefit will not be capped if someone in your household (you, your partner or any children you are responsible for when working out your Housing Benefit):

- Obtains work and becomes entitled to Working Tax Credit;
- Receives one of the benefits that exempt people from the cap.

You could also move to cheaper accommodation or negotiate a rent reduction to one which is more affordable.

This could mean that the cap wouldn't apply to you or that the amount you have to pay from your other benefits to make up the shortfall in your rent may be less.

Help to find work

Finding work could mean that the cap wouldn't apply to you as qualifying for Working Tax Credit will mean these new rules do not apply.

If you are not already seeing a Jobcentre Plus adviser, or a Work Programme or Work Choice provider, you can get support from Jobcentre Plus to help you get the skills you may need to find a job. To arrange this you will need to ring Jobcentre Plus on **0845 604 3719**.

Call Charges

Calls to 0845 numbers from BT land lines should cost no more than 5p a minute with a 15p call set-up charge. You may have to pay more if you use another phone company or a mobile phone, or if you are calling from abroad.

Textphones

Our textphone numbers are for people who cannot speak or hear clearly. If you don't have a textphone, you could check if your local library or citizens advice bureau has one. Textphones don't receive text messages from mobile phones.