

## The Benefit Cap (initially via Housing Benefit from Summer 2013)

### Benefit Cap in Brief

No family on benefits is to earn more than the average salary of working family (£35,000 gross)

- **£500 week for couples (with/without children) and lone parents with dependant children**
- **£350 week for single adults**

The cap applies

- to **'non working' households only**
- via deduction from Housing Benefit initially

**The cap does not apply** to households where a partner or any dependant child

- **qualify for Working Tax Credit**

or receive any of the following:

- **Disability Living Allowance**
- **Personal Independence Payment**
- **Attendance Allowance**
- **Industrial Injuries Benefits**
- **Employment Support Allowance, if paid with the support component**
- **Armed Forces Compensation Scheme payments**
- **War Pension Scheme payments (including War Widow's/Widower's Pension and War disablement Pension).**

There will be a 'grace period' of 39 weeks, not be capped, if claimant (or partner) were working for a year.

**An online calculator at**

<https://www.gov.uk/benefit-cap>

estimates how a claimant's housing benefit could be reduced if they are subject to the benefit cap

*If you need more information, training or links don't work (you may need to paste them into your browser) - contact Advice Link on 476843.*

### The Benefit Cap in Blackpool, Wyre and Fylde – more details

From 15 July 2013 the Government rolled out a cap on the total amount of benefit that working age people can receive. The cap is intended to ensure workless households no longer receive more in benefits than the average income of working households. The benefit cap only applies to **working age** people. Claimants in remunerative work and who qualify for working tax credit are not subjected to the cap.

For affected households the cap is applied to the **combined income from out of work benefits.**

For couples and lone parents, this means the maximum amount of out-of-work benefits they can receive is capped to **£500** per week (£26,000 year).

For single people, this means no more than **£350** per week (£18,200 year).

Any amount they have coming in over this level is be deducted from their **housing benefit** award, meaning some households will see a significant cut. The worst affected people may even lose all of their housing benefit. Those customers who look likely to be affected by the benefit cap have already been contacted by the Department for Work and Pensions (DWP) to be made aware of the change and how it is likely to affect them.

Council Benefits Team work closely with the DWP and the Housing Teams when administering the benefit cap and do all they can to help those affected. However, you may come across families and individuals who have been affected by the national roll out of the cap. If you work with residents who are affected by the cap, please contact

- for Blackpool and Fylde Lance Postings on 477078
  - for Wyre Sue Stephenson on 887548
- who will then make sure that all available support mechanisms have been put in place to help them.

#### Administration of the benefit cap

HB Circular A15/2013, provides detailed DWP guidance on implementation of the cap, including -

- exemptions from the cap;
- working age benefits included;
- the amount of those benefits to be taken into account;
- the definition of household;
- DWP and local authority actions for existing and new claims;
- changes of circumstances and dual claims;
- the grace period;
- appeals and reconsiderations;
- supported exempt accommodation; and
- discretionary housing payments.

[HB Circular A15/2013](#)