

JULY 2015

LET'S TALK... MONEY



The budget of 8 July 2015 announced some profound changes to welfare benefits. For many people this will mean a reduction in income. It is important that you find out how you will be affected so that you can start to prepare your finances and avoid falling behind with your rent and other important bills. If you need help, please contact our Tenancy Sustainment Team on 0116 2576716.

Matt Cooney, Group Chief Executive, asra Housing Group.

THE SUMMER BUDGET – WHAT DOES IT MEAN FOR YOU?



THE BENEFIT CAP WHAT IS IT?

The Benefit Cap is a limit on the total amount of certain benefits you can get if you are of working age (between 16-64 years). It will not affect you if you are above working age. The Benefit Cap will only affect you if you're getting Housing Benefit or Universal Credit. If the cap affects you, your Housing Benefit or Universal Credit is reduced and the total you can currently claim is £26,000.



WHAT HAS CHANGED FOLLOWING THE BUDGET?

From April 2016 the cap has been reduced from £26,000 to £23,000 for out of work families in London, and the cap has been reduced from £26,000 to £20,000 for out of work families outside of London. If you are affected and not yet on Universal Credit your Housing Benefit will be the first benefit to be reduced. If you are on Universal Credit, your total monthly payment will be reduced. Remember that the cap applies to the benefits you get as a household. This means that benefits received by you, your partner and dependent children who live with you, are all included.



HOW COULD IT AFFECT ME?

The impact of this reform will be different depending on the makeup of your household and whether or not you live in London. We will update our website with full details as soon as we have further news. We can confirm that you should not be affected if you are over 64 years old or receiving working tax credit, disability living allowance, or personal independence payment. There are other exemptions which we will detail on our website shortly. Please visit www.asra.org.uk.

BENEFIT

CAP

CALCULATING HOW THE BENEFIT CAP AFFECTS YOU CAN BE DIFFICULT. IF YOU ARE UNSURE IF YOU WILL BE AFFECTED CONTACT US AND ASK TO SPEAK TO OUR TENANCY SUSTAINMENT TEAM ON 0116 2576716



WHAT IS IT?

Universal Credit is the new approach to paying benefits that is being introduced across the country. Universal Credit is a single monthly payment for people in or out of work, which brings together some of the benefits and tax credits that you might be getting now. It is being rolled out across the country and is only affecting a small number of people at the moment.

UNIVERSAL CREDIT WILL EVENTUALLY REPLACE:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Child Tax Credit
- Working Tax Credit
- Housing Benefit

At the moment Universal Credit only affects single, new claimants of job seekers allowance. You may also be affected if you make changes to your claim, but only if you are a single claimant of working age.



HOW WILL IT AFFECT ME

Universal Credit is being rolled out in Tranches (or stages) and Tranche 3 of Universal Credit will start in September. If you are of working age, single and need to make a new claim for Job Seeker's Allowance and live in one of the following areas you may be asked to claim UC instead:

Bolsover, Broxtowe, Harrow, Hillingdon, Islington, Mansfield, Kingston Upon Thames, Sandwell, Slough, Watford, Northampton, North Kesteven, North Warwickshire, East Northants, North West Leicestershire, Newark & Sherwood, Wellingborough.



WHAT WILL CHANGE FOLLOWING THE BUDGET?

From April 2017, the Child Element of Universal Credit (currently Child Tax Credit) will be limited to a maximum of 2 children. (This means that a family of 3 can only claim for the first 2 children, with some exceptions.)

There may be other changes to come over the next few years but the dates of changes have not been released yet.

If you are unsure if you will be affected by Universal Credit contact us and ask to speak to our Tenancy Sustainment Team on 0116 257 6716.



IF YOU ARE UNSURE...

if you will be affected by Universal Credit contact our Tenancy Sustainment Team on 0116 257 6716

Our Tenancy Sustainment Team is pleased to announce that they will have an officer based in London from 14th July 2015. Abiba Kone will be responsible for assisting tenants to prepare for Universal Credit. You can contact Abiba in the usual way on 0116 257 6716.

OTHER CHANGES...

- Working-age benefits will be frozen for four years, including Tax Credits and Housing Benefit. Maternity payments will be excluded from the freeze.
- "In-work" households whose total annual income is above £40,000 in London or £30,000 elsewhere may have to pay the full market rate for their homes.
- The amount that social landlords can charge for some properties will be cut by 1% per year for each of the next four years
- People who are not disabled and have no children may see their working benefits withdrawn at a faster pace as their earnings rise
- A new National Living Wage, for people older than 25 years, will be introduced at £7.20 next April. It is expected to reach £9 per hour by 2020.