

The A to Z of Benefit Terms

Below are a guide to the terms used in our presentation



Benefit Cap

Limits benefit income for working-age households where the household is not working. Limits are currently £26,000 per year for families and lone parents and £18,200 for single people. Benefits included in the calculation of the Benefit Cap:

Bereavement Allowance, Carer's Allowance, Child Benefit, Child Tax Credit, Employment and Support Allowance (work related), Guardian's Allowance, Housing Benefit, Incapacity Benefit, Income Support, Jobseekers Allowance, Maternity Allowance, Severe Disablement Allowance, Universal Credit, Widowed Parent's Allowance

Housing Benefit/Universal Credit is reduced to a minimum of 50p per week to bring total income to the Benefit Cap.

Child Tax Credit

Paid for each child the customer is responsible for under 16 or under 20 and in approved education or training. Customer does not need to be working to claim Child Tax Credit.

Council Tax Support/Reduction

This replaced Council Tax Benefit in April 2013. For anyone who is responsible for paying Council Tax and is either unemployed or on a low income.

There is a national scheme for pension-age applicants. For working-age there is a local scheme which is designed by each local authority. Our scheme is:

- An 80 per cent limit. All working age customers have to pay at least 20 per cent of their Council Tax bill
- A savings limit of £8,000. If you and your partner have savings & investments over £8,000 you do not qualify
- Limiting Council Tax Support to a Band D Council Tax charge
- Exceptional Hardship Fund. Set up to provide additional support for our most financially vulnerable customers

For pension age – the above restrictions do not apply. Savings limit is £16,000

Discretionary Housing Payment (DHP)

Paid in addition to Housing Benefit or Universal Credit to help top up rent shortfall from their income. Can also be used to pay rent deposits/rent in advance to move to affordable accommodation. East Devon has a Discretionary Housing Payment policy.

Employment and Support Allowance (ESA)

Claimed by ill or disabled customers if they are employed, self-employed or unemployed. There are two types of ESA:

- Contribution-based - paid for a maximum of 12 months and is based on the National Insurance records of the customers;
- Income-related ESA which is usually paid on its own or on top of contribution-based ESA, based on a low income

Housing Association

Known as Registered Providers or Registered Social Landlords. Our largest Housing Associations in East Devon are Devon & Cornwall Housing and Sovereign.

Housing Benefit (HB)

Can pay for part or all of someone's rent. How much they are entitled to depends on their income and circumstances and also the maximum rent which can be used in the HB calculation (this is based upon HB Regulations). There are different schemes dependant upon the owner, for example housing association, council accommodation, private rented, etc and whether the customer is working-age or pension-age.

Continued overleaf

Income Support

To qualify the customer must meet all four of the following:

- between 16 years and Pension Credit qualifying age;
- pregnant, or a Carer, or a lone parent with a child under 5 or, in some cases, unable to work due to sickness or disability;
- have no income or a low income and no more than £16,000 in savings (the customer plus their partner's income and savings will be taken into account); and
- working less than 16 hours a week (and their partner works less than 24 hours a week)

Jobseekers Allowance (JSA)

Can be paid whilst searching for work. Usually has to be 18 or over and available for work. There are 2 types of JSA:

- Contribution-based: paid for a maximum of 6 months and is based on National Insurance records of the customers;
- Income-based: low income

Local Housing Allowance (LHA)

Rates used to work out HB for tenants renting from private landlords. LHA rates are set by the Valuation Office Agency and relate to private rent levels in the area which HB is claimed. Since April 2013 LHA rates have only increased by 1% and may no longer reflect current market rent levels where increases have been above this level.

Private rented sector

Where the customer rents their home privately. Most HB claims are based on the Local Housing Allowance.

Size restrictions in social housing

Where a working-age family lives in social housing and has one or more spare bedrooms (based on size criteria used in HB regulations) a restriction of 14% for 1 spare bedroom and 25% for 2 or more spare rooms is made from the rent before HB can be calculated. Certain allowances can be made for specific criteria, eg. disabled children, foster carers and overnight care.

Social Housing

Housing provided by a Local Authority or Registered Provider (Housing Association).

Universal Credit

Replaces 6 main benefits (Income based JSA, Income related ESA, HB, Child Tax Credit and Working Tax Credit) into one monthly payment.

Working Tax Credit

Working Tax Credit can be claimed if either of the following apply:

- aged from 16 to 24 and has a child or a qualifying disability; or
- aged 25 or over, with or without children

Customer has to:

- work a certain number of hours a week
- get paid for the work they do (or expect to)
- have an income below a certain level

Please note: This guide is based upon our interpretation of the benefit terms used. For more in-depth information, including eligibility criteria please visit www.gov.uk