

## Housing and Council Tax Benefit

### About this factsheet

Housing Benefit (HB) helps with rent and Council Tax Benefit (CTB) helps with Council Tax. Both benefits are based on income and savings and are dealt with by local authorities although the rules are set by central government.

This factsheet covers HB and CTB for people who are over the qualifying age for Pension Credit, and who are not receiving Income Support, income-related Employment and Support Allowance or income-based Jobseeker's Allowance. If you are under Pension Credit age or you receive one of these benefits, do not use this factsheet because the rules are different.

The information in this factsheet is correct for the period April 2011 – March 2012. Benefit rates and other figures are expected to increase again in April 2012 but rules and figures sometimes change during the year.

The information given in this factsheet is applicable in England and Wales. Different rules apply in Northern Ireland and Scotland. Readers in these nations should contact their national office for information specific to where they live – see section 12 for details.

Section 12 also has details of how to order other Age UK factsheets and information materials and the telephone numbers for Age UK Advice.

If you need more detailed advice or representation, it is often best to find a local service. This is sometimes suggested in the text. Age UK Advice can give you contact details for a local Age UK, or you could contact one of the independent organisations listed in section 11.

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# 1 Recent developments

- This factsheet covers the Housing Benefit (HB) and Council Tax Benefit (CTB) rules for people over the qualifying age for Pension Credit. Since April 2010 Pension Credit qualifying age has been rising in line with the State Pension age for women. In April 2010 State Pension age for women started to increase from 60 so that it would be equalised with that for men (currently 65) by 2020. In October 2010 the government proposed changes to this timetable. State Pension age for men and women may now be equalised at 65 by December 2018, and then rise to 66 for everyone by April 2020. As at April 2011, the proposed changes to the timetable are not yet law and still require the approval of Parliament.
- From April 2011, HB can cover the cost of an extra bedroom for a non-resident carer if the claimant (or their partner) has a need for overnight care.
- From April 2011, claimants whose HB is assessed under the Local Housing Allowance (LHA) rules are no longer entitled to weekly excess payments of up to £15 if their rent is below the appropriate LHA rate.
- From April 2011, the rates for non-dependant deductions have been increased for the first time since 2001. The rates will be reviewed annually in future.
- From April 2011, a cap on LHA rates has been introduced. The cap is set at £250 a week for a one-bedroom property, £290 for two bedrooms, £340 for three bedrooms and £400 for four bedrooms or more. The cap applies to any new claims for HB after April 2011. The cap does not apply immediately to people who were receiving HB before April 2011. If their circumstances do not change in any other way, they will get nine months at their current LHA rate from when the local authority next reviews their benefit after April 2011.
- From April 2011 LHA rates are set at a lower level than previously. They are now set at the 30<sup>th</sup> percentile of local rents, instead of the 50<sup>th</sup> percentile (or median). This applies to new cases from April 2011. People who were receiving HB before April 2011 are not subject to the new rate for up to nine months from their first review after April 2011.
- From April 2011 local authority budgets for discretionary housing payments have been increased, to allow for more of these payments to be made (see section 9.5).

## 2 Future changes

Further changes to HB are planned for the future. Some of them only affect people of working age but people of all ages will be affected by the proposal to assess LHA rates against the Consumer Price Index from April 2013.

The government also proposes to introduce a new benefit called Universal Credit in 2013. This will replace many working age benefits and involve the abolition of HB and CTB.

If these proposals are agreed, support with rent will be provided in Universal Credit for people of working age, and in Pension Credit for older people. CTB will be scrapped and replaced with a localised system.

## 3 What are Housing Benefit and Council Tax Benefit?

HB is a social security benefit that provides help with rent and some service charges.

CTB is a social security benefit that provides help with Council Tax.

HB and CTB are administered by local authorities (councils) but the rules are decided by the government.

HB and CTB are not taxable and do not depend on your National Insurance contributions. You can receive HB/CTB if you are working but most of your earnings will be taken into account.

HB and CTB are based on your income and savings. In general, you must have no more than £16,000 in savings although this limit does not apply to people receiving the Guarantee Credit part of Pension Credit. Second Adult Rebate is a different sort of CTB, which is not based on your income and savings but on the income and savings of one or more other people living in your household (see section 7).

There are other ways of reducing your Council Tax bill that are not related to your income and savings. There are discounts and reductions for empty properties, for people who live alone, people who are disabled, some carers and people with severe mental impairments like dementia.

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**Note:** See Age UK's Factsheet 21, *Council Tax*, for more information about other ways to reduce your Council Tax.

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## 4 Who can you claim for?

If you have a partner, only one of you should claim HB/CTB, although both of you may need to sign the claim. The amount of benefit you get will be worked out on your combined savings and income. A 'partner' is the person you are married to or living with as if you were married, or your civil partner or the person with whom you are living as if you are civil partners.

If you live with someone who is not your partner – such as a friend or brother or sister – and you have a joint tenancy and joint liability for Council Tax, you are assessed separately and both of you can apply for HB and CTB.

Similarly, if you jointly own your home with someone who is not your partner and you have a joint liability for Council Tax, you can both apply for CTB.

If you live with someone who is not your partner, and one of you has a sole tenancy and/or sole liability for the Council Tax, that person can apply for HB and CTB. The other person will be treated as a non-dependant (see section 6) and in some cases Second Adult Rebate might be paid instead of CTB.

An appointee can claim on your behalf if you are not able to claim yourself.

## 5 How do you qualify for HB and CTB?

There are some qualifying conditions that apply to both HB and CTB:

- You must be habitually resident in the UK and not excluded from claiming because of your immigration status.
- You must meet the income-related rules described in section 6. For Second Adult Rebate, the second adult must meet the income-related rules described in section 7.

- To qualify for HB and CTB according to the rules described in this factsheet you must be over the qualifying age for Pension Credit. Since April 2010, Pension Credit qualifying age has been increasing from 60 in line with the State Pension age for women. The increase is gradual depending on birth dates. In April 2011, Pension Credit qualifying age is about 60 years and 6 months, and it will be 61 by March 2012. If you were born between July 1950 and July 1952, the table below shows the first date that the HB and CTB rules in this factsheet apply to you.

<b>Date of birth</b>	<b>Date the rules in this factsheet apply to you</b>
6 July 1950 to 5 August 1950	6 November 2010
6 August 1950 to 5 September 1950	6 January 2011
6 September 1950 to 5 October 1950	6 March 2011
6 October 1950 to 5 November 1950	6 May 2011
6 November 1950 to 5 December 1950	6 July 2011
6 December 1950 to 5 January 1951	6 September 2011
6 January 1951 to 5 February 1951	6 November 2011
6 February 1951 to 5 March 1951	6 January 2012
6 March 1951 to 5 April 1951	6 March 2012
6 April 1951 to 5 May 1951	6 May 2012
6 May 1951 to 5 June 1951	6 July 2012
6 June 1951 to 5 July 1951	6 September 2012

### **Extra qualifying conditions for HB**

You can claim HB if you (or your partner) are liable, or can be treated as liable, to pay rent for the accommodation normally occupied by you and your family.

HB is available to people in the following circumstances:

- Council, housing association or private tenants may get help with their rent and some service charges.
- Boarders and people living in bed and breakfast accommodation or hostels may get HB towards the accommodation part of their charges.
- People making payments for a charitable almshouse may claim HB.

- People living in houseboats may get HB for mooring charges even if they own the houseboat.
- People living in a caravan or mobile home may get HB for site charges even if they own the caravan or mobile home.
- People living with a landlord who is a close relative may claim HB if they live separately in self-contained accommodation and they have a commercial arrangement.

HB is not usually available to people in the following circumstances:

- Residents in care homes cannot get HB towards their care home fees.
- Home owners cannot receive HB towards their mortgages, service charges or ground rent but may be able to get help with these housing costs through Pension Credit.
- People living in the same household with a landlord who is a close relative (e.g. son, daughter, brother, sister) cannot usually get HB.
- Anyone who does not have a commercial rent agreement or whose agreement was set up to take advantage of the HB system cannot get HB. Seek advice if you are refused HB for this reason.

### **Extra qualifying condition for CTB**

To claim CTB or Second Adult Rebate, you must be liable for Council Tax. You can claim whether you own or rent your home.

## **6 How are Housing Benefit and Council Tax Benefit calculated?**

HB and CTB are worked out using similar calculations. This section is a step-by-step guide to help you work out how much benefit you can get.

If you receive the Guarantee Credit part of Pension Credit, you do not need to work out your savings, income and applicable amounts, as you will be entitled to the maximum HB/CTB minus any deductions for non-dependants. You only need to read steps 1 and 2 of this guide to calculate your HB/CTB entitlement.

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**Note:** For more information about Pension Credit see Age UK's Factsheet 48, *Pension Credit*.

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## **Step 1: Calculate your maximum eligible rent and Council Tax**

The whole of your Council Tax bill is eligible for CTB. This is based on your bill after any discounts or other deductions have been taken off. For example, if you live alone, you will receive a 25% discount on your bill and your CTB will be worked out after this has been deducted.

Your eligible rent for HB may not be the same as the actual rent you have to pay. This is because your rent may include some charges that are not covered by HB such as support charges, water rates, sewerage charges or fuel charges. If you rent from a private landlord your rent may also be restricted in other ways, for example if your home is considered too expensive or too large.

Rent and Council Tax are calculated on a weekly basis regardless of how often they are actually paid. So if you pay your Council Tax in 10 monthly instalments first work out the weekly amount (multiply by 10, then divide by 52). If you pay your rent on a calendar monthly basis multiply by 12 and divide by 52.

### **Service charges**

You may get help through HB for reasonable service charges that you have to pay as a condition of occupying your home. These might include, for example, general management costs; any charges for furniture; cleaning and general maintenance of communal areas and gardens; communal laundry facilities; refuse removal; lifts; portering; entry phone; some warden and caretaking services; and TV and radio relay charges.

There are some service charges that are not eligible for HB, including food/meals; support charges; medical or nursing care; personal laundry services; leisure facilities; transport; TV rental and licences; emergency alarms; and any charges for other services not related to the provision of adequate accommodation.

Support services, such as wardens and emergency/community alarms, are not eligible for help through HB but may be funded separately through a system called 'Supporting People'. Local authorities receive a grant for funding 'supporting people' services, including those provided by wardens in retirement (sheltered) housing.

## Fuel charges

If your rent includes an amount for fuel, this is not eligible for HB. For example, if your rent is £80, of which £10 is for heating, the eligible rent would be £70. If the charges for fuel are not specified separately and you and your family have more than one room, the following fixed weekly amounts will be deducted:

Heating	£21.55
Cooking	£2.50
Hot water	£2.50
Lighting	£1.75
The amounts are lower if you only occupy one room	

If you are a **council tenant** you can work out your maximum eligible rent by deducting any ineligible charges that you pay from the actual rent you pay as described above, and move on to step 2. This also applies to most other **social housing tenants**, for example, if you rent your home from a registered housing association.

If you are a **private tenant** there are complicated rules for working out your maximum eligible rent. These vary depending on when you took up your tenancy, and when you first applied for HB.

The Local Housing Allowance (LHA) applies to most private tenants who have moved or made a new claim for HB since April 2008. If you were claiming HB before April 2008 you will only move to the LHA rules if you change your address or there are other changes in your circumstances, for example if there is a break in your claim. There are some other cases where LHA rules do not apply, including:

- protected tenancies with a registered fair rent (this applies to tenancies that started before 15 January 1989)

- protected cases – mainly supported housing provided by charities and voluntary organisations
- exceptional cases including caravans, houseboats, bed and breakfast accommodation and hostels.

In some circumstances there is a delay before the LHA is used to assess your eligible rent. If you are receiving HB and the LHA rules do not currently apply to you, it can be delayed for one year if a member of your household dies and you would be worse off under the LHA rules, unless you move home.

Under LHA rules, your maximum eligible rent is a standard amount set according to who lives with you and the area where you live, rather than the actual rent your landlord charges. The LHA rate that applies to you depends on the number of bedrooms you are allowed according to the size of your household.

Your local authority must publish the amount of rent it will pay for different size properties. You can check the LHA rate that would apply to you by asking your local authority or online – search for Local Housing Allowance on the Directgov website (see section 11 ‘Useful organisations’).

If you are a private tenant and the rent you pay is higher than the LHA rate that applies to you, your maximum eligible rent for HB will be less than your actual rent.

If you are receiving HB as a private tenant and you are not covered by the LHA rules your benefit may be restricted under older rules. Under the old rules the local authority asks the independent Rent Officer service to determine whether your eligible rent should be less than your actual rent, by considering whether your accommodation is larger than you need, whether the rent is too high or has increased unreasonably while you have been getting HB.

If your HB does not meet your full rent for any reason, you may want to apply for a discretionary housing payment to make up the shortfall in your rent (see section 9.5).

## Step 2: Make deductions for any non-dependants living with you

In many cases, your maximum HB/CTB will be the same as the eligible rent/Council Tax you worked out in step 1. But your maximum HB/CTB will normally be less than the eligible amounts if you have someone living with you other than your partner or dependent children. In these circumstances an amount is deducted from your eligible rent/Council Tax to determine your maximum HB/CTB.

The deductions are made because it is assumed that someone living with you, such as an adult son or daughter, will contribute towards your rent and Council Tax. The sums deducted are fixed regardless of how much the person actually contributes. If you have more than one non-dependant there is a deduction for each of them but only one deduction is made for a couple. The deduction for a couple is the highest that would have been made if they were treated as individuals but based on their joint income.

No deductions are made if you (or your partner) are blind or receive Attendance Allowance or the care component of Disability Living Allowance.

Also, no deductions are made for:

- anyone who is a joint owner or joint tenant with you
- boarders, sub-tenants or resident landlords
- anyone receiving Pension Credit
- full-time students and people on some training allowances
- anyone aged under 18
- any young person under 20 for whom you are responsible
- someone employed by a charitable or voluntary organisation as a resident carer for you or your partner and who you pay for that service
- anyone staying with you who normally lives elsewhere
- anyone who has been in hospital for more than 52 weeks
- anyone who is in prison
- for HB, anyone under 25 receiving Income Support, income-related Employment and Support Allowance or income-based Jobseeker's Allowance

- for main CTB, anyone of any age receiving Income Support, income-related Employment and Support Allowance or income-based Jobseeker's Allowance
- for main CTB, anyone who is disregarded under the discount rules for Council Tax.

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**Note:** See Age UK's Factsheet 21, *Council Tax*, for more information about disregards, discounts and other Council Tax reductions.

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Where a non-dependant deduction has to be made, a fixed amount is deducted. If someone living with you is aged 18 or over, works 16 hours a week or more and does not get Pension Credit the following rates apply:

Gross weekly income of non-dependant	Weekly deduction from HB	Weekly deduction from CTB
Less than £122.00	£9.40	£2.85
£122.00–£179.99	£21.55	£2.85
£180.00–£233.99	£29.60	£5.70
£234.00–£309.99	£48.45	£5.70
£310.00–£386.99	£55.20	£7.20
£387.00 or more	£60.60	£8.60

In all other cases, where a non-dependant deduction has to be made, the deduction is £9.40 from HB and £2.85 from CTB.

When assessing the gross income of a non-dependant most income is counted apart from Attendance Allowance and Disability Living Allowance. If you are applying for HB and CTB and you have a non-dependant you need to produce evidence of their income; for example, pay slips or benefit award letters.

If you are aged 65 or over, changes due to non-dependants that would reduce your HB/CTB do not apply until 26 weeks after the change of circumstances.

### Step 3: Calculate your capital

'Capital' includes most types of savings, capital, investments and property.

If you (or your partner) are receiving the Guarantee Credit part of Pension Credit (with or without Savings Credit) there is no capital limit for HB/CTB. Guarantee Credit acts as a passport to maximum HB/CTB and all of your capital is ignored. You only need to do steps 1 and 2 of this guide to work out your HB/CTB entitlement.

All other claimants, including those receiving only the Savings Credit part of Pension Credit, cannot receive HB or CTB if they have more than £16,000 capital.

If your capital is under £10,000, it is ignored. Capital between £10,000 and £16,000 affects the amount of HB/CTB you receive. Each £500 or part of £500 over £10,000 is assumed to produce extra income of £1 a week. This is called 'assumed' income. For example, if you have £12,200 savings, a weekly assumed income of £5 is included in your income assessment.

The same limits apply for both single people and couples. If you have a partner, their capital is added to yours.

Your capital is generally assessed at its present-day value. If there would be expenses involved in selling your capital, 10% of its value is deducted.

Age UK's Factsheet 53, *Capital, income and means-tested benefits*, gives more detailed information about the assessment of capital for HB and CTB including the rules about:

- the types of capital included in the assessment
- the types of capital ignored in the assessment
- jointly owned capital
- what happens if you dispose of capital to increase your benefit entitlement.

## **Step 4: Calculate your income**

If you (or your partner) are getting the Guarantee Credit part of Pension Credit you are entitled to maximum HB/CTB and the local authority does not examine your income. You only need to do steps 1 and 2 of this guide to work out your HB/CTB entitlement.

If you are receiving the Savings Credit part of Pension Credit without any Guarantee Credit, The Pension Service will give the local authority your assessed income figure. This is the income figure calculated for your Pension Credit claim. The local authority will adjust this figure and use it to work out your HB/CTB without looking at your income any further.

The main adjustment they will make is to add in the amount of your Savings Credit, but there are some other adjustments for particular groups including working lone parents, war pensioners and people with childcare costs. If you work out your income using the rules in this section, you should usually come to the same figure. If you think the assessed income figure used in your HB/CTB claim is wrong, you should query it with your local authority and/or The Pension Service.

Income for HB/CTB is assessed after deductions for tax and National Insurance contributions and half of any contribution to an occupational or personal pension scheme.

The HB/CTB assessment includes most types of income, including:

- all types of pensions
- earnings
- income from annuities
- most social security benefits
- Pension Credit Savings Credit unless you are also receiving Guarantee Credit
- Working Tax Credit
- assumed income from capital over £10,000 (worked out in step 3)
- income from boarders or sub-tenants who live in the same property as you
- maintenance payments for you or your partner from a spouse, ex-spouse, civil partner or ex-civil partner
- income from property held in trust (although some types of trust are disregarded)
- income from an equity release scheme.

Some types of income are ignored. Some of the most common types of income that are completely ignored are:

- Attendance Allowance and Constant Attendance Allowance
- Disability Living Allowance
- child maintenance and benefits for children
- voluntary or charitable payments (for example, payments from a friend or relative)
- actual income from capital (only the assumed income is counted as described in step 3) although any interest paid to you will count as part of your capital.

Some types of weekly income are partially ignored including some earnings, some types of maintenance, some bereavement benefits and some payments you receive if you are a landlord.

Age UK's Factsheet 53, *Capital, income and means-tested benefits*, gives more detailed information about the assessment of income for HB and CTB including:

- the types of income included in the assessment
- the types of income ignored in the assessment
- the types of income that can be partially ignored
- what happens if you dispose of, or fail to apply for, income you are entitled to.

To work out your income for HB, decide what bits of your income will be ignored, and add up all the rest including any amount of assumed income from capital worked out in step 3.

## **Step 5: Work out your applicable amount**

The applicable amount is a weekly amount that is compared with your income figure from step 4 to calculate your HB/CTB.

For many people the applicable amount is a standard allowance depending on age. There are extra amounts known as premiums for some disabled people and carers. There are also extra amounts for households with dependent children.

The weekly **standard personal allowances** are:

Single person under 65	£137.35
Couple – both under 65	£209.70
Single person 65 or over	£157.90
Couple – one or both 65 or over	£236.80

The **severe disability premium** is £55.30 a week and should be included in your applicable amount if:

- you get Attendance Allowance, or the middle or highest rate of Disability Living Allowance (DLA) care component and
- no one is paid Carer's Allowance for looking after you (although it doesn't matter if someone has 'underlying entitlement' to Carer's Allowance for you) and
- you live alone, or you can be treated as living alone.

You sometimes count as 'living alone' even if you share your home with other people. The following people are ignored when deciding if you are living alone:

- anyone receiving Attendance Allowance, or the middle or highest rate of DLA care component
- anyone who is registered blind or severely sight-impaired
- any child or young person who is under 18 or for whom Child Benefit is being paid
- anyone who is not a close relative and is a joint tenant or co-owner with you
- anyone who is not a close relative and is your landlord
- anyone who is not a close relative and is a licensee, tenant or sub-tenant
- some live-in helpers.

If you are a single person and you qualify for the severe disability premium, an extra £55.30 a week is included in your applicable amount.

If you have a partner and only one of you gets Attendance Allowance (or the middle or highest rate of DLA care component), you cannot get the severe disability premium. If you and your partner both receive Attendance Allowance (or the middle or highest rate of DLA care component), and no one else counts as living with you, and neither of you has a carer receiving Carer's Allowance, a double rate of £110.60 a week is included. If one of you has a carer who is actually paid Carer's Allowance the single rate of £55.30 is included.

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**Action:** This is a complex area of law: if you need further information about whether you qualify for the severe disability premium, contact Age UK Advice or a local advice centre.

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The **carer premium** is £31 a week and should be included in your applicable amount if you or your partner:

- are receiving Carer's Allowance, or
- have claimed Carer's Allowance and fulfil the conditions for it but cannot be paid it because you are getting your State Pension or another benefit instead. In this case you have an 'underlying entitlement' to Carer's Allowance.

If you are a single person and you qualify for the carer premium, an extra £31 a week is included in your applicable amount.

If you and your partner both qualify for the carer premium, an extra £62 a week is included. If only one of you is a carer the single rate will be included.

The carer premium continues for eight weeks after you stop looking after someone, for example if they die or move into a care home.

It is possible to receive both the carer and severe disability premiums – for example a disabled couple who provide a substantial amount of care for each other could receive the double rate of both.

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**Action:** The rules about Carer's Allowance and underlying entitlement are complicated. For more information see Age UK's Factsheet 55, *Carer's Allowance*.

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**If you have a dependent child or children**, a weekly personal allowance of £62.33 will be included in your applicable amount for each child. One family premium of £17.40 will also be included, regardless of how many children you have. A disabled child premium of £53.62 will be included for each child who is blind or who gets DLA. An enhanced disability premium of £21.63 will also be included for each child who gets the highest care component of DLA.

To calculate your applicable amount, work out which standard allowance applies to you. Add any severe disability or carer premiums, or extra amounts for dependent children that you are entitled to.

## Step 6: Calculate your benefit

Once you have worked out your applicable amount, compare this figure with the income figure you worked out in steps 3 and 4.

If your income is the same as, or less than your applicable amount, you will get the maximum amount of HB and CTB that you worked out in steps 1 and 2. If you are not already receiving Pension Credit you may be entitled to it so you should consider applying.

If your income is more than your applicable amount the maximum benefit you can get is reduced by a 'taper adjustment'. Firstly, work out the difference between your income and your applicable amount. Reduce your maximum HB by 65% of the difference to get your HB entitlement. Reduce your maximum CTB by 20% of the difference to get your CTB entitlement.

Another way of explaining the calculation is to say that your maximum HB is reduced by 65p for every £1 that your income is more than your applicable amount. Your maximum CTB is reduced by 20p for every £1 that your income is more than your applicable amount.

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**Example:** Jackie is a 64-year-old council tenant who lives alone. She has to pay rent of £85 including £8 for heating and her Council Tax is £15 a week after the single person's 25% discount. Her State Pension is £102.15 a week and she has an occupational pension of £53 a week. She has savings of £4,000.

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1	Maximum eligible rent	=	£77 (excluding £8 heating)
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	Maximum eligible Council Tax	=	£15
2	No non-dependant deductions as she lives alone, so		
	Maximum HB	=	£77
	Maximum CTB	=	£15
3	Capital of £4,000 will not affect benefit		
4	Income:		
	State and Occupational Pension total	=	£155.15
5	Applicable amount	=	£137.35
6	Income is more than applicable amount		
	Difference	=	£17.80 (£155.15–£137.35)
	65% of difference	=	£11.57
	20% of difference	=	£3.56

HB calculation			
	£77 (maximum HB) minus £11.57 (65% of difference)	=	£65.43 a week HB entitlement

CTB calculation			
	£15 (maximum CTB) minus £3.56 (20% of difference)	=	£11.44 a week CTB entitlement

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Jackie will receive HB of £65.43 and CTB of £11.44 a week. She will have to pay £11.57 rent plus the heating charge of £8 and £3.56 towards her Council Tax.

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### Step 7: Check your benefit is above the minimum payable

For HB the minimum amount payable is 50p a week. There is no minimum payment for CTB.

## 7 Second Adult Rebate

Second Adult Rebate could reduce your Council Tax bill if you are liable to pay Council Tax and you have one or more adults living with you who are on a low income. It may apply even if you are not able to receive benefit on the basis of your own income and savings.

Second Adult Rebate is not available if:

- the second adult is disregarded under the discount rules for Council Tax, or
- the second adult is your tenant, sub-tenant or boarder, or
- the second adult is also liable to pay Council Tax because they are a joint tenant or owner, or
- there is more than one person responsible for paying the Council Tax (for example a couple, or two or more joint tenants or owners), unless all or all but one of the jointly liable people are disregarded under the discount rules for Council Tax.

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**Note:** see Age UK's Factsheet 21, *Council Tax*, for information about Council Tax disregards and discounts.

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Second Adult Rebate is 25%, 15% or 7.5% of the Council Tax depending on the income of the second adult(s).

Second Adult Rebate of 25% is given if the second adult/s receive/s Pension Credit, Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance.

In all other cases the amount of Second Adult Rebate depends on the gross income (income before deductions like tax and National Insurance) of the second adult/s, ignoring any Attendance Allowance or Disability Living Allowance received.

The table below summarises the rates of Second Adult Rebate:

<b>Income of second adult(s)</b>	<b>Second adult rebate</b>
Second adult (or all second adults) on Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance or Pension Credit	25%
<b>Second adult(s) total gross weekly income</b>	
Under £177	15%
£177–£230.99	7.5%
£231 or more	0%
Student dwellings where occupiers are students excluded from entitlement to main CTB or on Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance or Pension Credit. There must be at least one student and one person on benefit.	100%

In some circumstances you might be entitled to main CTB and Second Adult Rebate. You cannot receive both and you will be awarded whichever one is higher.

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**Example:** David owns his own home and his Council Tax is £20 a week. His son who receives income-based Jobseeker's Allowance lives with him. David claims CTB. He is not entitled to main CTB because he has £20,000 savings and he does not get Pension Credit Guarantee Credit. He is given Second Adult Rebate of 25% (£5 a week) because his son receives income-based Jobseeker's Allowance.

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## 8 How to claim

If you apply for Pension Credit you should be asked whether you want to claim HB/CTB at the same time. You can claim Pension Credit by filling in a paper form or by telephone (see Age UK's Factsheet 48, *Pension Credit* for details). If you claim Pension Credit over the phone the staff will take the details for the HB/CTB claim at the same time. The Pension Service should send all the information about your claim directly to your local authority so that they can work out your HB/CTB. If you claim Pension Credit on a paper form you should be given an extra, fairly short form to claim HB/CTB at the same time.

If you are not claiming Pension Credit, contact your local authority to make a claim for HB/CTB. All local authorities will have a paper claim form you can use, and some accept telephone and online claims.

### 8.1 Information to support your claim

Before the local authority can work out how much to pay it may require documentary proof of things like your identity, income, savings and the amount of rent you pay. If you are asked to provide further evidence, make sure you return it within a month of their request, or explain why you cannot. If you do not want to post the documents and would have difficulty getting to their offices to provide this evidence, ask for a home visit. It is very important to provide any information or evidence required. Until you do, you may not count as having made a valid claim.

### 8.2 Backdating

Your claim will usually start from the first Monday after the date the local authority receives notification of your intention to claim, as long as you submit a complete claim within one month of notifying them. If you do not notify them of your intention to claim it will usually start on the Monday after the day they receive your claim form.

If you claim HB/CTB at the same time as Pension Credit or within one month of a successful Pension Credit claim, your HB/CTB should start from the Monday after the start of your Pension Credit.

HB/CTB can be backdated for up to three months before the date of your claim, as long as you met the qualifying conditions during the backdating period. Ask for backdating when you claim.

### 8.3 How long will the claim take?

Your application should be decided within 14 days of the local authority receiving the complete claim or as soon as possible after that. Unfortunately it often takes longer than 14 days. If claims from private and housing association tenants cannot be processed within 14 days, the local authority should make a payment on account, which is an estimated amount. If you are experiencing hardship because of a delay with your claim, get advice locally.

## 9 Decisions and payments

You should receive a written decision on your claim. If your claim is refused, the decision notice should give the reasons. If your claim is successful, you will be awarded HB/CTB indefinitely and the decision notice will give details of the amount of benefit awarded, how it will be paid and your duty to report any relevant changes in your circumstances.

The decision notice will usually include a breakdown of the applicable amount and income figure that have been used in the calculation, which you can check against the step-by-step guide in section 6. The decision notice will also explain how you can ask for a fuller explanation of how your HB/CTB was calculated and your appeal rights. Whenever the local authority makes a new decision on your claim, for example if your circumstances change, you will be sent a new decision notice.

### 9.1 If you disagree with a decision about your benefit

If you disagree with a decision about your HB/CTB, you can ask for the decision to be reconsidered or make an appeal. You will be sent details of how to do this in the decision letter. It is important to challenge a decision or get advice as quickly as possible because there are time limits that generally mean you must take action within one month.

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**Note:** see Age UK's Factsheet 74, *Challenging welfare benefit decisions*, for more information about what you can do if you disagree with a decision.

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## 9.2 Payment

CTB is normally paid directly to your Council Tax account and your bill is reduced accordingly. If you have already paid your Council Tax and the account goes into credit, you should be able to get a refund.

For council tenants, HB is usually paid directly to your rent account, reducing the rent you actually have to pay.

If you are a private or housing association tenant, your Housing Benefit may be paid to you by cheque or into a bank account, or direct to the landlord. HB is often paid directly to the landlord when eight weeks or more rent is owed, and this is also possible in some other circumstances as well.

## 9.3 Continuing payments when you claim Pension Credit

If you are moving from Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance to Pension Credit, you can continue to receive HB/CTB at the same rate for four weeks, providing you otherwise continue to qualify for HB/CTB, and:

- the Department for Work and Pensions (DWP) certifies that your partner has claimed Pension Credit, or
- your entitlement to Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance stopped because you were no longer entitled to it because of your age.

## 9.4 Overpayments

If you are paid too much benefit, this is known as an overpayment and you may have to repay the money. An overpayment might occur if the local authority made a mistake on your claim or if you did not tell them about a change in your circumstances that would have reduced your benefit.

You cannot normally be required to repay an overpayment of HB/CTB if it was caused by an 'official error' and you could not reasonably be expected to have known that you were being overpaid at the time. Even if the local authority can recover the benefit it does have some discretion about whether to do so.

If you are asked to repay an overpayment, it is always worth checking whether the overpayment has been calculated correctly, and whether you should have to repay it. You have the right to appeal about the amount of an overpayment and the decision to recover it. Seek advice if you are asked to repay benefit.

If an overpayment has to be repaid, it can be recovered from you or your partner or the person who received the payment (for example, your landlord). HB overpayments are usually recovered by reducing your future HB. You may be able to negotiate over the amount of the reduction and how quickly the debt is recovered. CTB overpayments are usually recovered by an adjustment to the Council Tax bill.

## 9.5 Discretionary housing payments

If you receive some HB/CTB but not enough to pay your full rent or Council Tax, you may be able to get a discretionary housing payment from your local authority. These payments are for people who need extra financial assistance and they are entirely discretionary. The local authority has the right to decide whether or not to grant one, how much it should be and the period to grant it for. You cannot appeal against a decision about a discretionary housing payment but you can write and ask the local authority to reconsider a decision you disagree with.

If you want to apply for a discretionary housing payment, ask your local authority how to apply. There will usually be an application form, otherwise apply in writing. You will probably be asked for a breakdown of your income and expenditure and you should also explain any special circumstances that apply to you or members of your household. Special circumstances might include:

- if you are disabled and have to pay for special equipment, care costs or a special diet

- if your heating bills are high, perhaps because you are at home most days or feel the cold because of a medical condition
- if it would be unreasonable to expect you to find and move to cheaper accommodation, perhaps because your current home has adaptations to help you cope with a disability or is near to someone who helps you.

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**Action:** if you want to apply for a discretionary housing payment it is often a good idea to ask a local advice agency to help with the application.

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## 10 Changes of circumstances

Your local authority should tell you which changes you need to report. If you are in doubt, tell them anyway to make sure you do not have to repay money or get less benefit than you are entitled to.

It is important to report changes within one month of the date of the change. If you delay reporting a change in circumstances for longer than a month, any increase in your HB/CTB is only paid from the Monday after you report the change, unless there is a good reason for the delay. If a change in circumstances reduces your HB/CTB, the reduction will be made from the date the change occurred, and so any delay in reporting the change will result in an overpayment (see section 9.4).

### 10.1 Reporting changes if you are not getting Pension Credit

If you do not get Pension Credit, you need to report any changes that might affect your HB/CTB to the local authority, including changes to:

- your tenancy or rent unless you are a local authority tenant
- your income and capital
- your household or your status as a single person or member of a couple
- the number of boarders or sub-tenants you have or the payments they make
- the number or circumstances of any non-dependants or second adults.

You must also report any absences from home likely to exceed 13 weeks.

## 10.2 Reporting changes if you are getting Pension Credit

If you get Pension Credit, you must report the following changes to the local authority:

- any change to your tenancy or rent unless you are a local authority tenant
- any changes to the number or circumstances of any non-dependants or second adults
- any absences from home that are likely to exceed 13 weeks.

If you receive Guarantee Credit (with or without Savings Credit), you do not have to report any other changes to the local authority but you may need to tell The Pension Service, depending on whether or not you have an assessed income period (a specified period during which you do not need to report changes to your pensions, annuities, equity release income or capital).

If you receive only the Savings Credit part of Pension Credit and no Guarantee Credit you also need to tell the local authority about:

- an increase in your capital that takes you over the £16,000 capital limit (whether or not you have an assessed income period)
- changes affecting a child in your household that could affect your HB/CTB
- any change to your status as a couple or to your partner's income and capital that has not been taken into account in your Pension Credit award. This is only likely to apply in very limited circumstances; for example, if a partner abroad is no longer included for Pension Credit but is for HB/CTB.

The Pension Service should inform the local authority of any other changes in your circumstances. If your Pension Credit stops for any reason, The Pension Service will inform the local authority and your HB/CTB will also be stopped. You may still qualify for some HB/CTB and so should make a new claim to your local authority, requesting backdating to the date PC stopped.

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**Note:** See Age UK's Factsheet 48, *Pension Credit*, for information about assessed income periods and reporting changes of circumstances to The Pension Service.

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### 10.3 **Changes to non-dependant deductions if you are over 65**

If you are 65 or over, changes due to non-dependants that would reduce your benefit will not apply until 26 weeks after the change of circumstances. This is intended to put off the financial impact caused by the arrival of a non-dependant in a household or an increase in the income of an existing non-dependant.

This concession applies when:

- the claimant or partner is 65 or over; and
- a non-dependant arrives in the household; or
- an existing non-dependant's income increases; and
- the non-dependant change would reduce HB/CTB.

### 10.4 **Temporary absence from home**

If you are temporarily away from home, HB/CTB can be paid for up to 13 weeks whatever the reason for your absence. In particular specified circumstances, such as going into hospital, benefit can continue in payment for up to 52 weeks as long as you are likely to return home. Short visits home, not necessarily overnight, can end one period of absence and start a new one.

The amount of benefit you are entitled to may change if your income changes while you are away, and you can't receive benefit if you sublet your home during your absence.

### 10.5 **Moving home**

You can normally only get HB for one home but there are exceptions. For example, you may be able to get benefit for two homes for up to four weeks if you have moved to a new home and you are still liable to make payments on the other; or if your move to a new home has been delayed because it was being adapted to meet disability needs.

You cannot normally get HB towards the rent on a new home until you move in. However, you may qualify for HB for a period of up to four weeks before you move in, if you are waiting to leave hospital or a care home, or you have applied for a Social Fund payment to help with the cost of moving or setting up home. But you cannot get HB on two homes in these situations.

CTB is only payable for the home in which you normally live. It is not payable for second homes, but see Age UK's Factsheet 21, *Council Tax*, to check if you can apply for a discount.

## 10.6 Changes in the LHA rate

If you are a private tenant whose HB is assessed under the LHA rules, the LHA rate which applies to you will normally stay the same for a year. LHA rates are reviewed every month. Your HB claim will be reviewed once a year at which time the LHA rate current at the time of the review will be applied to your claim. The new rate could be higher, lower or the same as the LHA rate that applied to you before.

If you have a change of circumstances between annual reviews, a new LHA rate might apply if, for example, you have a change of address or there is a change in the number of people living with you.

## 10.7 New determinations by the Rent Officer

If you are a private tenant whose eligible rent is determined by the Rent Officer, their determination will normally stay the same for a year. Your HB claim will be reviewed once a year at which time the Rent Officer will make a new determination. The new eligible rent could be higher, lower or the same as the previous determination.

There are some other circumstances where the local authority can ask for a new determination by the Rent Officer including if there is a change to your household, a change in the condition of the property, or an increase in the rent.

# 11 Useful organisations

## Citizens Advice Bureau

National network of free, independent advice centres. Depending on available resources may offer benefits check and help filling forms.

Tel: 020 7833 2181 (for local contact details only – not telephone advice)

Website: [www.adviceguide.org.uk](http://www.adviceguide.org.uk)

## **Community Legal Service**

National network of Legal Services Commission funded organisations and advice providers that fund, provide and promote civil legal aid services – free, confidential and independent legal advice for residents of England and Wales.

Tel: 0845 345 4345

Website: [www.communitylegaladvice.org.uk](http://www.communitylegaladvice.org.uk)

## **Directgov**

The official government website for citizens with information about public services including money, tax and benefits and a specific section for the over-50s. It also offers information about pensions and retirement planning (see specific link under Pension Service).

Website: [www.direct.gov.uk](http://www.direct.gov.uk)

## **Pension Service (The)**

For details of State Pensions, including forecasts, how to claim your pension and Pension Credit.

Tel: 0845 60 60 265

Textphone: 0845 60 60 285

Website: [www.direct.gov.uk/en/Pensionsandretirementplanning/index.htm](http://www.direct.gov.uk/en/Pensionsandretirementplanning/index.htm)

# **12 Further information from Age UK**

## **Age UK Information Materials**

Age UK publishes a large number of free Information Guides and Factsheets on a range of subjects including money and benefits, health, social care, consumer issues, end of life, legal, issues employment and equality issues.

Whether you need information for yourself, a relative or a client our information guides will help you find the answers you are looking for and useful organisations who may be able to help. You can order as many copies of guides as you need and organisations can place bulk orders.

Our factsheets provide detailed information if you are an adviser or you have a specific problem.

### **Age UK Advice**

Visit the Age UK website, [www.ageuk.org.uk](http://www.ageuk.org.uk), or call Age UK Advice free on 0800 169 65 65 if you would like:

- further information about our full range of information products
- to order copies of any of our information materials
- to request information in large print and audio
- expert advice if you cannot find the information you need in this factsheet
- contact details for your nearest local Age UK

### **Age UK**

Age UK is the new force combining Age Concern and Help the Aged. We provide advice and information for people in later life through our publications, online or by calling Age UK Advice.

Age UK Advice: 0800 169 65 65

Website: [www.ageuk.org.uk](http://www.ageuk.org.uk)

In Wales, contact:

Age Cymru: 0800 169 65 65

Website: [www.agecymru.org.uk](http://www.agecymru.org.uk)

In Scotland, contact:

Age Scotland: 0845 125 9732

Website: [www.agescotland.org.uk](http://www.agescotland.org.uk)

In Northern Ireland, contact:

Age NI: 0808 808 7575

Website: [www.ageni.org.uk](http://www.ageni.org.uk)

## Support our work

Age UK is the largest provider of services to older people in the UK after the NHS. We make a difference to the lives of thousands of older people through local resources such as our befriending schemes, day centres and lunch clubs; by distributing free information materials; and through calls to Age UK Advice on 0800 169 65 65.

If you would like to support our work by making a donation please call Supporter Services on 0800 169 80 80 (8.30am–5.30pm) or visit [www.ageuk.org.uk/donate](http://www.ageuk.org.uk/donate)

## Legal statement

Age UK is a registered charity (number 1128267) and company limited by guarantee (number 6825798). The registered address is 207–221 Pentonville Road, London, N1 9UZ. VAT number: 564559800. Age Concern England (charity number 261794) and Help the Aged (charity number 272786) and their trading and other associated companies merged on 1 April 2009. Together they have formed Age UK, a single charity dedicated to improving the lives of people in later life. Age Concern and Help the Aged are brands of Age UK. The three national Age Concerns in Scotland, Northern Ireland and Wales have also merged with Help the Aged in these nations to form three registered charities: Age Scotland, Age Northern Ireland, Age Cymru.

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