



# Benefits update.

HOW THE CHANGES WILL AFFECT YOU.

# Contents

<b>Introduction</b>	<b>3</b>
<hr/>	
<b>Changes to Housing Benefit – ‘ the bedroom tax’</b>	<b>5</b>
The changes in a nutshell	5
How much will my benefits go down by?	5
What can I do?	6
What are Discretionary Housing Payments?	6
Will the local authority find me a new house?	6
What should I do if I am affected?	7
<hr/>	
<b>Council Tax Benefit changes</b>	<b>8</b>
The changes in a nutshell	8
What is Council Tax?	8
How has Council Tax Benefit worked up to now?	8
What will happen now?	8
Is this affecting everyone?	10
When is this happening?	10
How can I find out what is happening in my area?	10
How important is paying council tax?	10
What is the difference between Council Tax Benefit/Council Tax Support and Council Tax Exemption?	10
Could my property be exempt from Council Tax liability?	11
I am going to be affected by the changes, what can I do?	11
What if I fall behind with my council tax?	12
<hr/>	
<b>Changes to the Social Fund</b>	<b>13</b>
The changes in a nutshell	13
How has the discretionary Social Fund worked until now?	13
What is changing?	14
What should I do if I need emergency financial help after April 2013?	15
Where can I find information on my local ‘Food Bank’?	15
<hr/>	
<b>Changes to Disability Living Allowance</b>	<b>17</b>
The changes in a nutshell	17
How DLA worked in the past	17
What is different about PIP?	17
I’m already on DLA – what should I do?	17
How will Government decide if I can get PIP?	18
Will I have to travel to an assessment centre?	18
How much will PIP pay me?	19
Is PIP for people with mental illness?	19
My illness is different on different days – can I still get PIP?	19
How do I apply for PIP?	19

# Introduction

We know how worrying it can be to hear about changes to benefits, but not get all the details. That's why we've put together this pack, so that everyone we support knows what is happening when and where to get more support.

**Inside you'll find out about the four biggest changes affecting everyone:**

- Changes to Housing Benefit (also known as the 'bedroom tax').
- What is happening to Council Tax Benefit.
- The end of the social fund.
- The beginning of Personal Independence Payment, replacing DLA.

We hope that with this information, you will feel more confident about the changes coming and more able to press for what you need. Remember you can:

- Get more information about all benefits at **www.rethink.org**. If you want information and don't have access to the internet, please call us on **0300 5000 927** and we can post information to you.
- Talk to others about your experiences at **www.rethink.org/talk**
- Phone our specialist advisers – now open for longer, Monday to Friday, 10am to 2pm on **0300 5000 927**.

This is just the start. As well as extending the hours that you can call our advisers, we are also producing information about Universal Credit and changes to the appeals system. Go to **www.rethink.org** to sign up for emails and you will receive all this information as we produce it. Universal Credit is only being piloted in a few areas and won't be rolled out across the country until late 2013.

And we are campaigning for better benefits tests so that people with mental illness get fair assessments from benefits staff.

I hope this information helps you, your family and friends to get the support that you all need.



**Paul Jenkins**  
Chief Executive



# Changes to Housing Benefit – ‘the bedroom tax’

## The changes in a nutshell

If you live in a local authority or Housing Association house or flat and you have more bedrooms than the Government thinks you need, your Housing Benefit could reduce from April 2013.

But if you rent a flat from a private landlord, your Housing Benefit will stay at the same rate. If you are over the pension age, then your Housing Benefit won't change.

### You are most likely to be affected if you:

- Are single and live in a house or flat with 2 or more bedrooms.
- Have adult children, who have moved out.
- Have a child who visits but doesn't permanently live with you.
- Are in a couple and you have a 'spare' room that you use when one of you is ill.

### The rules say that:

- All adults and couples need a bedroom to themselves.
- Boys under 16 should share a room.
- Girls under 16 should share a room.
- Boys and girls under 10 should share a room.
- Disabled people who need someone 'extra' to stay overnight to provide care need an extra bedroom for this person.

If you have more bedrooms than the rules say you need, you will be classed as 'under-occupying' and your Housing Benefit will be reduced.

## How much will my benefits go down by?

If you have one more room than the rules say you need, your Housing Benefit will reduce by 14%. If you have two or more rooms than the rules say you need, your Housing Benefit will reduce by 25%.

On average, people living in local authority housing will lose £14 per week. People in Housing Association housing will lose £16 per week.

This is a lot of money for someone living on benefits to lose.

### **Example**

**A mother with a history of mental health problems has raised two children in a 3 bedroom house and lived there for 30 years. When the adult children move on, the woman will be only entitled to one bedroom under the rules. Her Housing Benefit will reduce by 25% as the rules say she is under occupying the property by 2 bedrooms.**

## **What can I do?**

**The Department for Work and Pensions (DWP) has suggested that you could:**

- Move house.
- Take in a lodger (check your tenancy agreement, likely to need permission from the landlord).
- Increase hours of work or look for work to increase your income.
- Apply for other benefits, if you can.
- Pay the difference out of any money you have if you can.
- Borrow from friends and family.
- Apply for a Discretionary Housing Payment.

**You can read the Department for Work and Pensions guidance at [www.dwp.gov.uk/docs/a4-2012.pdf](http://www.dwp.gov.uk/docs/a4-2012.pdf)**

## **What are Discretionary Housing Payments?**

If you claim Housing Benefit and you can't pay your housing bills and your tenancy is at risk, you can ask for extra financial help to meet these costs. Local councils administer Discretionary Housing Payments (DHP). Each local council has a fixed pot of money for each financial year.

Each local council decides who to give a discretionary housing payment to. Usually councils will only give you a payment for short period, for example up to 6 months. We don't know how easy it will be for people with mental health problems to get these payments, but it could be worth checking.

## **Will the local authority find me a new house?**

National Government has said local councils should consider finding new homes for people who are 'under-occupying'. Each local council will decide how to do this in practice. In some areas there may not be any smaller accommodation available. Finding a new home may not, in reality, be helpful. The local council could suggest that you move to a completely different area, far from friends and family. The local council could also find you a place in the private sector – this could mean that you are responsible for more maintenance issues than in local council or Housing Association homes.

## What should I do if I am affected?

### Try and maximise your income

You could apply for Disability Living Allowance (DLA) or, depending on where you live, Personal Independence Payment (PIP) if you haven't already. DLA or PIP would help to increase your income and help you pay any extra rent you need to pay because of Housing Benefit reducing.

If you already claim DLA, you could check to see if you are eligible for a higher rate. Applying for a higher rate though will mean a new assessment, which could leave you with a higher or lower amount – it is impossible to tell which. So you should consider this carefully before applying.

Check that you are receiving all other benefits and tax credits you may be entitled to.

### Take in a lodger?

If you are thinking about taking on a lodger in the future to increase your income, you could see if you have a family member or a trusted friend who is looking to move in the near future. This could make looking for a lodger much less stressful. You should also check your tenancy agreement and ensure that your landlord agrees.

### Use other money if you can?

If you have any other money available to you, such as a trust fund, contact the Trustees of the fund and tell them about these changes – you could send on this information to them. You could then ask them to give you extra funds to help you cover the extra rent you need to pay.

### Work out your budget?

If your local authority or Housing Association has told you that you will need to pay extra towards your rent we would recommend you complete a personal budget sheet listing all of your income and essential outgoings, including the amount you are being asked to pay towards your rent.

Rent is a priority payment as you risk losing your home if rent arrears build up. So it is important to budget for the extra you are being asked to pay. This might mean looking at what else you spend your money on and seeing if you can make savings.

# Council Tax Benefit changes

## The changes in a nutshell

From April 2013 Council Tax Benefit will no longer exist. Instead your local authority will run a 'Council Tax Support' scheme, but the budgets for these schemes is 10% less than the previous budget for Council Tax Benefit.

## What is Council Tax?

Council Tax is a tax which households have to pay to local councils. People receive the bills each year, but usually pay the tax in 10 chunks, starting in April. How much you pay will depend on how much your property is worth and the number of people living in it. Usually councils assume that at least two people live in each property. If you live alone or with someone who is seen as exempt from the tax, then you can pay less council tax.

## How has Council Tax Benefit worked up to now?

Until now, if you were on a low income you could make a claim for Council Tax Benefit. Depending on the level of income, capital and savings that you and people living with you had, you could receive some Council Tax Benefit to reduce your council tax bill. As a result, you might not have paid any council tax at all or you might have paid a smaller amount. Usually people made a claim for Council Tax Benefit through their local council at the same time as applying for Housing Benefit. National rules set out who could receive Council Tax Benefit and how much people could receive.

## What will happen now?

As they are all getting less money than previously, all councils will be trying to save money and so will be looking at different ways they could do this.

Some local councils have already said that they will charge everyone of working age *some* council tax even if under the previous system the person would have been received full Council Tax Benefit and therefore didn't have to pay any Council Tax at all.

Other councils may change the thresholds for capital and savings when assessing for Council Tax Support so people who have less than £16,000 savings and previously received Council Tax Benefit may have to pay something or more towards their council tax bill.



Some other councils may look at your income differently when they decide how much support to give you. For example, in the past, they ignored some benefits when adding up how much income they thought you had. Now they might think that these benefits are ordinary parts of your income and decide to give you less Council Tax Support as a result.

Check with your local council to find out how they will run the Council Tax Support Scheme in your area.

### **Is this affecting everyone?**

These changes will only affect you if you are of working age. If you are above the 'Pension Credit qualifying age', you will still get Council Tax Benefit as you have up to now.

### **When is this happening?**

April 2013.

### **How can I find out what is happening in my area?**

Your local council may already have contacted you to tell you about the changes and ask for your opinion on their new scheme.

If you have access to the internet you can check what system your council has decided to use on their website.

If you do not have access to the internet you could telephone your local council and ask to be put through to the team who can tell you about the new Council Tax Support scheme in your area.

### **How important is paying council tax?**

Council tax is a priority payment. If the local council can prove you are wilfully refusing or neglecting to pay your council tax you could be sent to prison, however in practice this is quite rare.

More commonly, the local council will pass any council tax debt to local bailiffs who will try to collect the debt from you directly. As long as you don't let them in to your home they can't break in, however being visited by a council tax bailiff can be scary and upsetting.

### **What is the difference between Council Tax Benefit/Council Tax Support and Council Tax Exemption?**

If you currently receive Council Tax Benefit (or will receive some Council Tax Support) you are still liable to pay council tax at the property you live in, however the amount you pay is either covered in full or in part by Council Tax Benefit/Council Tax Support. In

practice you may pay nothing at all towards your Council Tax bill but only because the amount you should be paying is covered by the benefit.

If you are exempt from Council Tax you have no legal liability to pay it. This means you are not billed and your council cannot ask you to pay any Council Tax. You do not need to apply for Council Tax Benefit or Council Tax Support because you don't have any Council Tax to pay.

## Could my property be exempt from Council Tax liability?

If someone (or many people) who are 'severely mentally impaired' or students only live in your property, you will not have to pay Council Tax on your property.

Being severely impaired means you have 'a severe impairment of intelligence and social functioning (however caused) which appears to be permanent'. You would need your GP or another doctor to confirm you have a severe mental impairment.

### **You also need to be receiving one of the following benefits:**

- Incapacity Benefit.
- Employment and Support Allowance.
- Severe Disablement Allowance.
- Income Support (with a disability premium paid because of incapacity for work).
- High or Middle Rate Care Component of Disability Living Allowance.
- The Daily Living Component of Personal Independence Payment or Attendance Allowance.

Most local councils have a form you can fill in to apply for one of these exemptions.

## I am going to be affected by the changes, what can I do?

If you find out that you are going to have to pay more for council tax because of these changes and you are worried about this, you could check:

### **if you are exempt from council tax liability altogether?**

- If you have a severe and enduring mental illness and you receive some welfare benefits you may be exempt from council tax liability under the 'Severe Mental Impairment' rules. You can find out more in our 'Welfare Benefits and Mental Illness' factsheet.

### **if you can get a discount on your council tax bill?**

- If you are the only adult living in your property you should get a 25% 'single person's discount.
- If you are living with someone who is either a student or is exempt from council tax because they have a Severe Mental Impairment (see above) then you should receive a 25% discount on your council tax bill.
- If you are a carer and:
  - provide 35 hours of care on average per week,
  - live in the same property as the person you care for,

- are not the partner of the person you care for,
- are not caring for a child who is under 18 **and**
- the person you care for gets either the Care Component of Disability Living Allowance at the Highest Rate or the higher rate of Attendance Allowance then you may also be eligible for a discount on your council tax bill.

The rules are complicated so you may want to speak to a local welfare rights adviser

#### **if you can increase your income**

- You may want to check that you are getting all the welfare benefits, tax credits and discounts that you are entitled to.
- You should be able to get a 'welfare benefits check' at your local welfare rights service, such as your local Citizens Advice Bureau.

#### **if you can change the way you spend your money**

- You could complete a personal budget sheet and include council tax in this. Council tax is a very important payment to make.
- Our factsheet 'How to Deal with Debt' explains how to draw up a personal budget sheet and also gives options for dealing with any debts you may have.

### **What if I fall behind with my council tax?**

You should seek the help of a money adviser as soon as possible. They will be able to advise how to deal with any arrears or any action the local council are taking against you. You can find advice and how to find a money adviser in our 'How to Deal with Debt' factsheet.

# Changes to the Social Fund

## The changes in a nutshell

At the moment JobCentre Plus can give people interest-free loans, grants and payments to help people get through emergencies or pay for long-term costs like new furniture or kitchen or disability equipment.

From April 2013, JobCentre Plus will help fewer people with emergency loans and it will take repayments from your future benefits payments. Local councils will have to help other people with emergencies and with longer-term grants instead of JobCentre Plus.

## How has the discretionary Social Fund worked until now?

The discretionary Social Fund has helped people on low incomes manage large items of expenditure and cope with emergencies. It includes crisis loans, community care grants and budgeting loans.

Until now, if you needed money in an emergency, you could get an interest-free **Crisis Loan** from JobCentre Plus. You could get one if you needed help with 'emergency costs' like food, rent, electricity or gas or travelling expenses. You did not need to be claiming benefits to get one of these loans, though many people claimed them if their benefit payments had been delayed.

**Community Care Grants (CCGs)** are not loans, but grants and they are only for people receiving income-based benefits. They were available to help people:

- Move from hospital / prison or community care.
- Avoid a stay in hospital, prison or community care.
- Move to suitable accommodation.
- Visit someone who is unwell.
- Attend a funeral.

**Budgeting Loans** were interest-free loans for people receiving benefits to help pay for big items over a longer period. People often used them to help pay for: Furniture and household items, like fridges or cookers:

- Clothing.
- Rent in advance and other removal costs.
- Some travelling expenses.

## What is changing?

Crisis loans, budgeting loans and Community Care Grants will end. Instead there will be three options:

### **1. If you are waiting for a benefits claim to come through, you can apply for a Short-term Advance.**

If you have just claimed for benefits, but you haven't received them yet and you need money for essentials like food or rent, you can ask for a short term advance. You can also do this if your circumstances have changed and you expect to get more benefits as a result, but your claim hasn't been processed yet. Your future benefits will then go down by the amount of the loan – we are not sure what the rate will be yet. The Government says they want people to pay back this money over 3 months or 6 months in exceptional circumstances.

### **2. If you have an emergency for any other reason, your local council will decide how to help you.**

There are no rules about what support a local authority should provide, how to organise it or who should receive it. There has been some discussion on how local councils might develop local services that will replace Community Care Grants and Crisis Loans, but the information we have is minimal.

#### **Local councils could:**

- Give cash grants as JobCentre Plus does now.
- Offer goods instead of cash (e.g. referral to food bank).
- Give vouchers or coupons.
- Do a combination of all three.

### **3. If you have a big 'one off' cost, you can apply for a Budgeting Advance.**

If you claim Universal Credit on the lowest income, you can apply for a 'budgeting advance'. This is an interest free loan from the Department for Work and Pensions. The Government wants people to be able to use these interest-free loans for essentials instead of getting loans at high interest rates.

We don't yet know how big these advances can be. It will depend on whether you are claiming the benefits above yourself or as a couple and whether you have children. It will also depend on what savings you have. You will not be able to get a Budgeting Advance if you already have one that you haven't yet paid back.

#### **You could use the money to pay for:**

- Furniture and household items.
- Clothing.
- Rent in advance and other removal costs.
- Some travelling expenses (for employment).
- Some maternity costs.

If you get a Budgeting Advance, then your benefits will go down by the amount of the advance. Government say they want people to repay these advances in 12 months or 18 months in exceptional circumstances.

**You can still apply for the old style budgeting loan if you are receiving:**

- Income Support.
- Income related Employment and Support Allowance.
- Income based Jobseekers Allowance.

### **What should I do if I need emergency financial help after April 2013?**

If you need money because you are waiting for some welfare benefits to be paid to you, you should apply for a 'Short Term Advance' from JobCentre Plus. Otherwise, you should contact your local council and ask what help they can offer.

### **Where can I find information on my local 'Food Bank'?**

Food Banks can provide 3 days worth of food. You usually need your GP, CAB staff the police or a social worker to refer you. They will give you a food voucher which you can exchange for a food parcel. You can search for a local 'Food Bank' on the following website: <http://www.trusselltrust.org/map>



# Changes to Disability Living Allowance

## The changes in a nutshell

From summer 2013, you can no longer make a new claim for Disability Living Allowance. Instead, if you are aged 16 to 64 and you need to claim benefits to help with disability costs, you will have to claim Personal Independence Payment. This could include a face to face assessment.

But if you already receive Disability Living Allowance and your circumstances stay the same, nothing will change for you until 2015.

## How DLA worked in the past

Disability Living Allowance (DLA) gave people extra money to be able to pay for extra things they needed because of disability, including mental illness. You could apply for DLA if you were 16-64 and you received a different amount depending on how much care you needed and how mobile you were, up to about £150 per week. To apply, most people had to complete a paper application form but not go to a face to face assessment. You could get DLA no matter how much money you earned or had saved.

## What is different about PIP?

More people with low care needs probably got DLA in the past than will get PIP in the future. More people will also be asked to go to face to face assessments instead of just completing a paper form. Atos and Capita will conduct the face to face assessments and report the results to the Department for Work and Pensions (DWP).

## I'm already on DLA – what should I do?

You do not need to do anything different from usual. If your circumstances change – either for the better or worse – you should tell DWP so that they can see if you need more or less DLA. In 2015, DWP will contact you to arrange an assessment for PIP instead of DLA. We will produce more information at that time when we know exactly what you'll need to do.

If you have a child under 16 who receives DLA, they will still receive this until their 16th birthday. Then they can make a claim for PIP instead.

If you are 65 years or over (or above pensionable age whichever is higher) or you claim Attendance Allowance you will continue to receive this as normal. You do not need to do anything different.

## How will Government decide if I can get PIP?

To work how much you will get, benefits assessors will look at different activities and how able you are to do these. If you are unable to do some of them, you will get points. If you get 8-11 points for either daily living or mobility activities, you will get the standard rate. If you get 12 points or more, you will get the enhanced rate. You will get both daily living and mobility payments if you have 8 or more points for both. These are similar rates to DLA, though for DLA there was also a third, lower rate for daily living.

### **Daily Living activities are:**

- Preparing food.
- Taking nutrition.
- Managing therapy or monitoring a health condition.
- Washing and bathing.
- Managing toilet needs or incontinence.
- Dressing and undressing.
- Communicating verbally.
- Reading and understanding signs, symbols and words.
- Engaging with other people face-to-face.
- Making budgeting decisions.

### **Mobility activities are:**

- Planning and following journeys.
- Moving around.

### **To decide this, the Department for Work and Pensions can look at:**

- The answers you put on the application form (PIP003).
- Any evidence provided by the health and social care professionals who work with you.
- A report produced from a face-to-face assessment.

## Will I have to travel to an assessment centre?

You may have to attend a face to face medical assessment with a healthcare professional who you don't know. Depending on where you live in the country, these assessments could be carried out by healthcare professionals working for either Atos or Capita.

The assessment may take place at a centre or in your home. An assessment in your home is more likely if you are unable to get to the assessment centre because of your health condition. You can have someone with you for support and they are allowed to take an active role in the discussion.

## How much will PIP pay me?

You will get a different amount depending on how much the Department for Work and Pensions thinks you need to help you with daily living and mobility.

### For daily living, you could receive:

- £53.00 weekly, the standard rate.
- Or £79.15 weekly, the enhanced rate.

### For mobility, you could receive:

- £21.00 weekly, the standard rate.
- Or £55.25, the enhanced rate.

If you receive PIP, you will get the money every 4 weeks directly into your bank, building society or post office account.

## Is PIP for people with mental illness?

Yes. It is just as much for people with mental health problems as for physical health problems. People can get it for schizophrenia, bipolar disorder, personality disorders, severe and ongoing depression, anxiety or phobias.

## My illness is different on different days – can I still get PIP?

When deciding how many points to give you in the assessment, the benefits assessor should consider if you will be affected in this way **on more than half of the days over one year**. They should also think about whether you can do each activity safely; to a necessary and appropriate standard; repeatedly; and in a timely manner. They also have some flexibility to give you points even when you can do more or less on some days.

## How do I apply for PIP?

If you need to make a new claim for PIP, go to [www.rethink.org](http://www.rethink.org) to read our full information on it. Or phone **0300 5000 927** and ask for a free copy through the post.

From April to June 2013, only people in some areas will need to apply for PIP – everyone else will continue to apply for DLA. The places where you will need to apply for PIP before June are:

- All postcodes beginning with: BL, CA, CH (not CH5, CH6, CH7, CH8), CW, DH, DL (not DL6, DL7, DL8, DL9, DL10, DL11), FY, L, LA, (not LA2 7, LA2 8, LA6 2, LA6 3), M, NE, PR, SR, TS (not TS9), WA.

After June, everyone who needs to make a new claim for disability support will need to apply for PIP, not DLA.

**We hope this information has helped you.**

**Remember, you can phone our advisers on  
0300 500 927 Monday to Friday, 10am to 2pm  
for individual help with benefits.**



**Leading the way to a better  
quality of life for everyone  
affected by severe mental illness.**

For further information  
on Rethink Mental Illness  
Phone 0300 5000 927  
Email [info@rethink.org](mailto:info@rethink.org)

[www.rethink.org](http://www.rethink.org)

---

Registered in England Number 1227970. Registered Charity Number 271028. Registered Office 89 Albert Embankment, London, SE1 7TP. Rethink Mental Illness is the operating name of National Schizophrenia Fellowship, a company limited by guarantee. © Rethink Mental Illness 2013.



Rethink Mental Illness is a partner in:

