

## Welfare Reform Act 2012

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On March 8, 2012 the Welfare Reform Act 2012 was approved. This will be the biggest change to the welfare system for more than 60 years. This government's change to welfare is designed to simplify the benefit system and encourage people to work, while protecting the most vulnerable in our society. It will affect many people across the country and if you are in receipt of benefits, or if you are an employer, then it will affect you too. These changes are complex which is why we are on hand to help and support those of you who will be affected.

## Council tax support

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Wiltshire Council spends around £27 million on council tax benefit which is currently funded in full by central government. It is a national benefit scheme which households receive if they pay council tax, and their income and savings are below a certain amount. From April 2013, the government is stopping this and asking councils to introduce and run a new scheme to support low income households, known as council tax support. When this is introduced the government funding will be replaced by a grant. The exact reduction in funding will not be known until December, but it is expected to be between 10% and 14% less than the current amount. We consulted on our proposals for the local support scheme in September, and based on the results, will shortly be publishing our scheme. It will prevent those with savings of more than £10,000 claiming, but will enable people to earn more without affecting their entitlement. There will be a standard rate reduction for non-dependants regardless of what they earn, however we will have less money to fund the scheme. This means all working age families currently in receipt of council tax benefit will see an average reduction in their weekly benefit of around £4.

## Under occupancy and housing benefit

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If you receive housing benefit, are of working age (16 to 61) and have one or more spare bedrooms, your housing benefit will be reduced from April 2013. You will either have to find the money to pay the difference between your housing benefit and your rent, or look for a smaller property that is appropriate for your family's size. A mutual exchange or a transfer could be considered. Your housing provider can give you further information on this. Children of the same sex who are under 16, or two children aged under 10 regardless of their sex, can share a bedroom. A disabled tenant or partner who needs a non-resident overnight carer will be allowed an extra bedroom. The reduction will be a fixed percentage of the amount of housing benefit people receive. The government has set this at 14% for one extra bedroom and 25% for two or more extra bedrooms.

## Personal Independence Payment (PIP)

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The government plans to replace Disability Living Allowance (DLA) with a new Personal Independence Payment (PIP), which will have a new structure and new assessment process. From 2013 the government will start to reassess those who are already on DLA to begin to

transfer people to the new PIP. Existing DLA claimants will have to apply for the new benefit and evidence will be gathered from a range of sources on their condition.

## Universal credit

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Universal credit will be introduced in 2013. It will replace most existing welfare benefits, including housing benefit. The government intends to introduce it gradually over the next five years.

This is intended to simplify the benefit system and give people more control over how their money is budgeted. It will be paid monthly direct to those that claim and they will have to make more decisions about how they run their household budgets, and ensure they can make rent payments. People who are vulnerable or over 61 may still be able to have the benefit to cover their rent paid directly to their landlord.

Couples living in the same household will make a joint claim for the benefit payment, meaning they will no longer receive individual payments of money for different needs.

From October 2013, when Universal Credit is introduced, if either member in a couple is under the qualifying age for Pension Credit then the couple will be treated as working age.

## Benefit cap

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From April 2013, the government will introduce a cap on the total amount of benefits working-age people (16 to 61) can receive. This means households where no one is in work should not get more in benefits than the average wage paid to people in work. A household includes you, your partner (if you have one) and any children you are responsible for, and who live with you.

If you already receive benefits and could be affected by the benefit cap you'll be contacted by staff from the Department for Work and Pensions (DWP). They will help you understand what the cap might mean for you. They will also help you get information about the changes and to think about what you can do now to get ready.

From April 2013, your housing benefit may go down to make sure the total amount of your benefit is not more than the cap level. If this happens you may have to use money from your other benefits to pay towards the rent for your home.

## Help and support

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Our main priority is to make sure you get the right support you need, particularly those most affected which includes a high proportion of working families who are already suffering through low wages. We advise you to plan ahead to make sure you get the right advice. For more information, contact customer services on 0300 456 0100 or [customerservices@wiltshire.gov.uk](mailto:customerservices@wiltshire.gov.uk). Tenants in social housing should contact their landlord about changes related to housing.

Wiltshire Money has produced a DVD giving an overview of the Welfare Reform Act. It can be viewed at <https://sites.google.com/site/wiltshiremoney/welfare-reform>

Enquiries about benefit and benefit cap issues should be directed towards the local Job Centre plus, or the DWP helpline 0845 6057064. Advice can also be given by Wiltshire Citizens Advice on 0300 456 8375 (from a mobile) or 0844 375 2775 (from a landline).