

I receive Housing Benefit and have been made redundant

I am working age

If you were claiming Housing Benefit while you were working, you will need to advise the local authority of your change of circumstances promptly so that your benefit can be adjusted. You could miss out on increased benefit entitlement if you delay telling them.

Your final earnings, holiday pay and any pay in lieu of notice are taken into account as earnings. Any contractual redundancy payments and ex gratia payments above the level of entitlement to Statutory Redundancy pay are treated as capital (unless any of the payment is for loss of earnings in which case it would be treated as income). Statutory Redundancy Payments are treated as capital.

If these payments increase your capital to £16,000 or over, your entitlement to Housing Benefit will end. If your capital is between £6000 and £16,000 it will be assumed that you are earning interest on your savings and your housing benefit will be reduced by what is known as “tariff income” - for those under pension age this is £1 for every £250 or part of over £6000.

If your Housing Benefit claim ends, it is likely that you will be unable to claim it again in the future and will have to make a claim for Universal Credit when your capital falls below £16000.

If you were not claiming Housing Benefit before your redundancy, you could make a claim for Universal Credit for support with rent which will include an amount for your housing costs - see above.

Your Housing Benefit may be subject to the Benefit Cap if you are no longer working and/or receiving Working Tax Credit - see below for more details.

Will my Housing Benefit be affected by the benefit cap?

The benefit cap limits the amount of benefit you and your family can receive each week.

If you and/or your partner are working and get Working Tax Credit the benefit cap is not applied. If Working Tax Credit stops because you have stopped work or you are no longer working enough hours, the benefit cap may apply. The cap can lead to a reduction in the amount of Housing Benefit that you receive.

There is a “grace period” of 39 weeks before your Housing Benefit is affected by the benefit cap if you and /or your partner were previously in work (employed or self-employed) for at least 50 weeks out of the 52 weeks immediately before the last day of work and in those weeks the

person in work was not entitled to Income Support, Jobseekers Allowance or Employment Support Allowance.

The cap also does not apply if your benefit household includes certain ill and /or disabled people or Carers.

If your benefit is being reduced because of the benefit cap you can apply to your local authority for a discretionary housing payment to cover some or all of the shortfall in your rent.

If the benefit cap is causing you hardship you could seek advice from Citizens Advice or another suitable advice agency.

I am Pension Age

If you were claiming Housing Benefit while you were working, you will need to advise the local authority of your change of circumstances promptly so that your benefit can be adjusted. You could miss out on increased benefit entitlement if you delay telling them.

Your final earnings, holiday pay and any pay in lieu of notice are taken into account as earnings. Any redundancy payments are treated as capital.

If these payments increase your capital to £16,000 or over, your entitlement to Housing Benefit will end (unless you are receiving Pension Credit) If your capital is between £10,000 and £16,000 it will be assumed that you are earning interest on your savings and your housing benefit will be reduced by what is known as “tariff income” - for those over pension age this is £1 for every £500 or part of over £10,000.

If you receive Pension Credit and Housing Benefit, the £16,000 maximum capital rule for Housing Benefit does not apply and you will continue to receive your Housing Benefit unless your redundancy ends your Pension Credit claim.

If your employer is insolvent you can find information here:
<https://www.gov.uk/your-rights-if-your-employer-is-insolvent>

<https://www.citizensadvice.org.uk/> For online advice and details of local phone and webchat services

<https://www.understandinguniversalcredit.gov.uk/coronavirus/> Government information pages

<https://www.entitledto.co.uk/> Online benefit calculator

<https://benefits-calculator.turn2us.org.uk/AboutYou> Online benefit calculator