



counsel + care   
for older people, their families and carers

guide

## Guide 22:

# Council Tax Benefit and Housing Benefit

Council Tax Benefit and Housing Benefit are means-tested benefits administered by local councils to assist people on low incomes to meet their housing costs.

This guide explains the eligibility criteria for Council Tax Benefit and Housing Benefit, how to apply for them, how they are calculated and how different circumstances affect your payments.

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There are differences in the ways each country cares for and supports older people. The information in this guide applies essentially to England, although there may be similarities with countries in the rest of the UK.

We also produce five separate guides for both Scotland and Wales covering the needs assessment process; paying care home fees and making a formal complaint, which are the key areas where the policy and legislation differs significantly from England.

All of the guides we publish may be downloaded from [www.counselandcare.org.uk/advice-and-information](http://www.counselandcare.org.uk/advice-and-information)

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# **1 Council Tax Benefit**

Council tax is the system in England, Scotland and Wales that pays for local government services, such as rubbish collection, road repairs, libraries etc. The amount of council tax you pay depends on the value of your home and the people living there. Every home is assigned to one of eight tax bands (A-H) based on its market value. Council tax applies to both rented and owner-occupied homes.

One bill is sent to each property regardless of how many people are living there. One or more people will be legally responsible for paying the bill although the household can choose how to divide up the bill. If people are joint-owners or joint-tenants they are jointly responsible.

The council tax bill for a property depends on several things, such as, how much your council spends on local services, the income the council receives from central government and other local taxes, and which property band your home is in.

## **1.1 Exemptions and reductions in your council tax**

Your property may be exempt from council tax if it is:

- Empty, unoccupied and substantially unfurnished (although normally just for a period of six months).
- Unoccupied because you have moved into a care home or hospital to receive long term care.
- Unoccupied because you have moved to another person's home in order to receive essential care from them.
- Unoccupied because you have moved to another person's home in order to provide essential care for them.

- Occupied by one or more persons who have a 'severe mental impairment' who receive Attendance Allowance or the higher/medium rate care component of Disability Living Allowance.

The amount of council tax you have to pay may be reduced. For example, if:

- You live alone (or the people you live with are exempt from council tax) your council tax bill will be reduced by 25%.
- Your home has been specially adapted for a disabled person, for example, installing a downstairs bathroom or widening doorways/hallways so that a wheelchair can get through, your council tax could be reduced to that of a property in the council tax band below your current band.
- An adult living with you is on a low income and they are not your partner or a tenant, you may be eligible for a 'second adult rebate' (see section 1.2).
- An adult living with you has a "severe mental impairment" and receives Attendance Allowance or the higher/medium rate care component of Disability Living Allowance.
- You are on a low income and have limited savings, you may be eligible for Council Tax Benefit (see section 1.3) which will decrease your council tax bill.

If you think you may be eligible for a reduction or exemption of council tax, you can apply to your local council. Their contact details will be in the local telephone book or on the council's website.

## **1.2 Second adult rebate**

If someone aged 18 or over lives with you, who is not your partner or a tenant, and is on a low income, you may be entitled to claim a 'second adult rebate' on your council tax. This usually applies when a

non-dependant, such as an adult son or daughter, a relative or a friend, lives with you.

You will be given a second adult rebate of 25%, 15% or 7.5% on your council tax. The percentage will depend on the second adult's weekly income and if they receive certain benefits, such as Pension Credit. When you fill in the claim form, your local council will work out whether you are entitled to Council Tax Benefit or the second adult rebate. You cannot receive both. If you are entitled to both, you will receive the one that gives you the most financial benefit.

Some councils require a separate 'Second Adult Claim Form' to be completed. If you feel that you may be entitled to claim the rebate, contact your local Council Tax Benefit department to ask about this.

### **1.3 Who can claim Council Tax Benefit?**

Depending on your circumstances, you may be able to claim Council Tax Benefit (CTB) from your local council to pay for all or part of your council tax.

You may be able to claim Council Tax Benefit if:

- you are responsible for paying the council tax bill;
- you have less than £16,000 in savings (unless you receive Pension Guarantee Credit);
- you are resident in the UK and not subject to immigration controls; and
- you are on a low income.

If you live with your spouse, civil partner or partner, you should apply for Council Tax Benefit on one form, with one of you being a lead applicant. Your eligibility for Council Tax Benefit will depend on your joint income and savings.

#### **1.4 How much Council Tax Benefit will you will receive?**

If you receive Pension Guarantee Credit, Income Support, income-based Jobseeker's Allowance, or income-related Employment and Support Allowance, you will automatically be entitled to full Council Tax Benefit.

If you do not receive a benefit that automatically qualifies you for full Council Tax Benefit, your claim will be based on your (and your partner's, if you have one) income, savings, age and if you have any disabilities. The amount of help you receive may be reduced if you have someone living with you, other than your partner.

Council Tax Benefit can be backdated up to three months if you can demonstrate that you were eligible at the time. You do not have to provide a reason as to why you did not claim earlier.

If you disagree with a decision, you can request a review of your claim or make an appeal (see section 4.5).

#### **1.5 Overpayments**

An overpayment happens when you have been paid more Council Tax Benefit than you are entitled to. If you have been overpaid as a result of you giving the council inaccurate information or a failure to notify the council about a change in circumstances, the council can recover the overpayment. If you have been overpaid as a result of an official error on the part of the council and you were unaware of their error, then you may not have to repay the amount.

If you are unhappy with a decision that has been made about an overpayment, you can ask the council for a review to take place (see section 4.5). Do not pay back any of the money until a final decision has been reached.

## **2 Housing Benefit**

Depending on your circumstances, you may be eligible to claim Housing Benefit (HB) from your local council to cover all or part of the rent you pay on your home. You may also be able to claim Housing Benefit to pay for certain service charges (see section 2.3).

### **2.1 Who can claim?**

You may be able to claim Housing Benefit if:

- you pay rent on your home. It does not matter whether you are a council tenant, private tenant, or housing association tenant;
- you have less than £16,000 in savings (unless you receive Pension Guarantee Credit);
- you are resident in the UK and not subject to immigration controls; and
- you are on a low income.

If you live with your spouse, civil partner or partner, you should apply for Housing Benefit on one form, with one of you being a lead applicant. Your eligibility for Housing Benefit will depend on your joint income and savings.

If you live on a houseboat, a caravan or in a mobile home, you can claim Housing Benefit to cover your mooring or site fee. People who pay for their board or are living in a hostel may be eligible to receive Housing Benefit for the accommodation part of their charges.

You cannot normally claim Housing Benefit if:

- you live with a close family member who you pay rent to. For example, if you rent a room in your daughter's home and she

lives there too, you will not be able to claim Housing Benefit.

However, if you live in a separate 'granny' flat attached to your daughter's home, you may be eligible to claim Housing Benefit.

- you live in a care home or if you do not normally live in the UK.
- You are a home owner and want to use it to pay your mortgage, service charge or ground rent. You may be able to receive claim Pension Credit to cover these costs. For more information about Pension Credit, see our guide:

**Pension Credit** (guide number 2).

## **2.2 Local Housing Allowance**

A Local Housing Allowance (LHA) is used to determine the maximum amount of Housing Benefit private tenants can claim. A LHA is applied to private tenants who made a new claim for Housing Benefit after April 2008 or have claimed Housing Benefit prior to April 2008 but have moved house since then. If this does not apply to you, the old Housing Benefit rules will be applied to calculate your Housing Benefit.

The local housing allowance you receive depends on:

- the maximum rent allowed for properties in your area. This is based on the maximum rent of the bottom 30% of median rents in your area.
- the number of bedrooms you need. Each type of property has a set maximum amount of Housing Benefit you can claim for it. For example, the maximum amount of Housing Benefit you can claim for a one bedroom property is £250 a week.

The highest Local Housing Allowance rate you can receive is for a four bedroom property. This means that even if the Local Housing Allowance says you need to live in a five or six bedroom property,

your Housing Benefit will only pay up to the allowance for a four bedroom property.

If you are disabled and receive regular overnight care from a carer that does not live in the property, you can claim a Local Housing Allowance towards paying for an extra bedroom.

If the rent you pay to your landlord is more than the Local Housing Allowance, you will have to pay the difference, or look for alternative accommodation that does fall within the Local Housing Allowance. If the rent you pay to your landlord is less than the Local Housing Allowance, you cannot keep the difference. In the past you were able to keep up to £15 of the difference.

Your local housing allowance claim will be routinely reassessed every 12 months. The date this happens is called the 'anniversary of your claim'. Your LHA may also be reassessed if your circumstances change, for example, you move house or the people living with you change. You need to inform the council if there is a change in circumstance.

Normally, Housing Benefit is paid directly to you. Since April 2011, Housing Benefit can be paid directly to your landlord if they help you get a new tenancy or help you keep your tenancy by charging a cheaper rent, which is closer to the Local Housing Allowance.

If you have an adult living with you who is not your partner, deductions to your Housing Benefit for a non-dependant will be increasing over the next 2 years. For more information about non-dependant deductions, please refer to section 2.4 of this guide.

It is difficult to challenge an established Local Housing Allowance. If you cannot meet the gap between your Housing Benefit and the actual cost of your rent, you may be able to get help through a Discretionary Housing Payment (see section 2.5). If you wish to do this, you may want to consider getting specialist advice and support from a local Law Centre or Citizens Advice Bureau.

You can find out what the Local Housing Allowance is in your area from your local council or the Valuation Office Agency (VOA) (tel.: 08450 26 46 96; [www.voa.gov.uk](http://www.voa.gov.uk)).

### **2.3 Service charges**

Many tenants have to pay service charges in addition to their rent. You can receive Housing Benefit towards some of these charges.

Service charges that may be covered by Housing Benefit include:

- fuel charges for heating parts of the building you and your family share with other people, such as communal hallways or landings;
- charges for cleaning shared areas;
- furniture or equipment you have to rent from the landlord;
- the upkeep of the garden, lifts, entry-phones and rubbish removal costs; some of the costs of a resident warden.

Your landlord should be able to itemise your rent to show what charges are included in your rent or service charge.

If water rates, charges for meals or the heating of your living accommodation are included as part of your rent, the Housing Benefit department will deduct the amount you pay from your rent before they work out what benefit you are entitled to. If they do not know the amount, they will deduct a set amount from your rent. For example, if you pay a rent of £80.00 per week which includes heating

for your flat, the Housing Benefit department will deduct the standard £25.50 a week, which means the maximum Housing Benefit you can receive is £54.50 a week.

Below are the set amounts that will be deducted from your Housing Benefit if they are included in your total rent:

Heating	£25.50
Hot Water	£ 2.95
Lighting	£ 2.05
Cooking	£ 2.95

#### **2.4 'Non-dependant deduction'**

Your Housing Benefit may be reduced if you have someone living with you (apart from your partner or children under the age of 18) because it is assumed that the person will be contributing to the housing costs. The amount deducted is fixed, regardless of how much the person actually contributes and is based on the gross income of the person living with you. If you have a couple living with you, only one deduction will be made. It is important to tell the council if a contributing adult moves out, or if their circumstances change, so that your Housing Benefit can be increased to take account of the loss of their contribution.

Deductions will not be made if you or your partner is:

- registered blind;
- in receipt of the care component of Disability Living Allowance;
- in receipt of Attendance Allowance; or

Deductions will not be made if the person who lives with you is:

- under 18;
- under 25 and in receipt of Income Support or income-based Jobseeker's Allowance;

- in receipt of Pension Credit; or
- A full time student

## **2.5 Discretionary Housing Payment**

If you qualify for Housing Benefit or Council Tax Benefit but your benefit does not cover all your housing costs, you may be eligible for a Discretionary Housing Payment (DHP). DHPs cannot be used where your benefit has been reduced or suspended, or to pay for any of the following:

- service charges which are not included in your Housing Benefit;
- water and sewage charges;
- your rent, if you only qualify for Council Tax Benefit; or
- your council tax, if you only qualify for Housing Benefit.

Decisions to award a DHP is based on a person's individual circumstances, so it is important to give as much information on the application form as possible. For example, you should give details of any disabilities you may have, any debts you have and any other benefits you receive.

If your application for a DHP is turned down, you cannot use the benefits appeal system but you could ask the council to reconsider your application, or submit further information to support your application.

## **2.6 If you are away from home**

If you are living away from your home but are planning to return, your Housing Benefit can continue to be paid for either 13 weeks or 52 weeks, depending on your circumstances:

13 weeks - Housing Benefit can continue to be paid for up to 13 weeks if you move into a care home for a trial period, to give you

time to decide whether you wish to remain in the care home permanently. For all other kinds of absence from your own home, such as holidays, your Housing Benefit will also continue for 13 weeks. If your house is let in your absence, you can no longer claim Housing Benefit.

52 weeks - Housing Benefit can be paid for up to 52 weeks if you are in hospital, receiving medical treatment abroad, or because you cannot return to your home for fear of violence. If your house is let in your absence, you can no longer claim Housing Benefit. If you move into a care home on a temporary basis, your benefit can also be paid for up to 52 weeks if you intend to return to your own home.

## **2.7 Paying rent for two homes**

In some circumstances, you can receive Housing Benefit for up to 4 weeks for two homes at the same time, if you are liable to pay rent on both properties. This might happen if you are moving house and find that you have to pay rent on both homes for a while, as adaptations are being made to meet your disability needs; you are waiting for a Social Fund payment; or if you had to move out of your home because you were a victim of violence.

## **2.8 Backdating Housing Benefit claims**

If you are of Pension Credit entitlement age or over and feel you should have been receiving Housing Benefit but did not claim, you can ask for your claim to be backdated by up to three months.

## **2.9 Overpayments**

If you have been paid too much Housing Benefit because of an 'official error', for example, the Housing Benefit department over-calculated what benefit you should have received and you were unaware that you were being overpaid. You may not have to repay

this money and you could challenge the Housing Benefit department if they ask you to pay the money back.

If you have been paid too much Housing Benefit because you did not give the local council correct information about your situation or you were aware that the council had wrongly assessed you, then you will have to pay the money back. If you disagree with a decision about your Housing Benefit and feel that you have grounds to make an appeal, please refer to section 4.5 of this guide.

### **3 How Council Tax Benefit and Housing Benefit are calculated**

The maximum Housing Benefit you can receive is 100% of your eligible rent. The maximum Council Tax Benefit you can receive is 100% of the bill. Both awards are calculated on a weekly basis.

For both benefits, the local council will take into consideration your weekly income including:

- your earnings;
- some welfare benefits (although Attendance Allowance or Disability Living Allowance are ignored);
- income from anyone living with you, for example, an adult son or daughter, (see section 2.4);
- tax credits;
- occupational pensions;
- you and your partner's savings which will be given an assumed income.

Your personal circumstances will also be taken into consideration, such as your age and any disabilities you may have.

The minimum women's state pension age is increasing over the next 6 years until it reaches the same age for retirement as men. After 2018, the retirement age for both men and women will rise to 66. This means that over the next 6 years there will be a gradual increase in the state pension age and the qualifying age for Pension Credit and more generous levels of Housing and Council Tax Benefit.

If you are entitled to Pension Guarantee Credit, you will qualify automatically for full Housing Benefit and Council Tax Benefit.

However, there are exceptions to the rule:

- When other adults live in the home (apart from a partner or carer).
- If the rent charged for your property is too high.

If you are not entitled to Pension Guarantee Credit, the council will work out your Housing Benefit by taking into account your income and capital.

You will not normally be able to claim either benefit if your savings are more than £16,000. The first £10,000 is ignored, and capital between £10,000 and £16,000 is subject to 'tariff income'.

### **3.1 Tariff income**

If you have capital between £10,000 and £16,000, for every £500 you have above the lower threshold, it will be assumed you are receiving £1 per week in income. Your weekly Housing Benefit or Council Tax Benefit entitlement will be reduced by that amount.

The higher your eligible rent, the more Housing Benefit you will receive. It is, therefore, very important to claim Housing Benefit if your rent increases or you move to a more expensive home.

You may become entitled to Housing Benefit, or receive more Housing Benefit, if there is a change in your circumstances. For example:

- if your savings decrease;
- if someone who lives with you moves out;
- if your income decreases; or
- if you start to receive a disability benefit.

## **4 How to claim**

### **4.1 Council Tax Benefit**

You will need to fill in a Council Tax Benefit claim form which is available from your local council. It can also be downloaded from the Department for Work and Pensions website: [www.dwp.gov.uk](http://www.dwp.gov.uk).

You can now complete the same form for Council Tax Benefit and Housing Benefit to save you filling in two forms. If you want someone else to help you make your claim for Housing Benefit or Council Tax Benefit, such as a relative or friend, you can write to your local council asking them to approve your request for the other person to be made an appointee on your behalf. The council should not deny your request unnecessarily.

### **4.2 Housing Benefit**

To claim Housing Benefit, you must fill in an application form from your local council or you can download a form from the Department for Work and Pensions website: [www.dwp.gov.uk](http://www.dwp.gov.uk). If you claim Pension Credit, you can claim your Housing Benefit at the same time and the Department for Work and Pensions will forward your claim to your local council. It is however advisable to check with your local council that they have received this and that they are processing your claim. It is a good idea to take a copy of all of the forms you complete for these benefits

Each council should have an advisory team, who can visit you at home if you are housebound, to help you complete the forms and witness any documents required as proof to support your application. If you pay rent to a private landlord, the local council may need additional information about your home, including proof of the amount of rent you pay to your landlord.

If you do not receive Pension Guarantee Credit, you will need to provide details of your income and savings. You may also have to provide evidence to confirm your identity, such as your passport or birth certificate.

If you receive Pension Guarantee Credit, the Pension Service will automatically inform the Housing Benefit department of any changes to your benefit within your 'Assessed Income Period' (up to five years based on your personal circumstances).

#### **4.3 When will a decision be made?**

The local council should try to work out your Housing Benefit within 14 days of receiving all the information it needs to decide on your claim. If you pay rent to a private landlord and the local council has not made a decision on your claim within 14 days, they must make a payment while your claim is being dealt with.

#### **4.4 How the benefit is paid**

Your local council will write to you to tell you how much benefit you are entitled to receive. If you are a council tenant, your Housing Benefit will be deducted from your rent.

If you pay rent to a private landlord or a housing association, you will be paid a rent allowance. Your benefit will be paid in arrears and can be paid to you either by giro or into your bank account.

Council Tax Benefit will be awarded as a deduction on your council tax bill.

#### **4.5 Disagreeing with a decision**

If you are dissatisfied with a decision made by your local council in relation to your claim for Housing Benefit or Council Tax Benefit, you

can request that the council review their decision. You normally have one month from the date of the decision to do this. If you remain dissatisfied with their reviewed decision, you can take your case to an independent appeal tribunal. Again, you generally have one month from the date of the decision to do this, unless you can prove there have been exceptional circumstances which prevented this.

Alternatively, you can take your case straight to an independent appeal tribunal. If you decide to do this, you have one month to contact them. You can start this process by writing to the local council stating that you wish to arrange this. Making a case to an appeal tribunal can be complex, so you may want to get advice from a local advice agency, such as your local Citizens Advice Bureau, to help you do this.

#### **4.6 Changes to your circumstances**

It is important to tell your local council if your situation changes while you are receiving Housing Benefit or Council Tax Benefit. For example:

- any change in your income or savings;
- new benefits you receive;
- benefits you stop receiving;
- changes in your rent; or
- changes in the circumstances of the people you live with.

If you do not inform your local council of these changes, you may find that the calculation of your benefit is incorrect. If you are then overpaid, you can be asked to repay this sum. Alternatively, you may find that the change in situation entitles you to an increased amount of Housing Benefit or Council Tax Benefit.

This guide is not a full explanation of the law and is aimed at people aged over 60 (of Pension Credit entitlement age).

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