

Benefit Cap Factsheet



Background

The cap will be introduced from 15th July 2013 and will apply to the combined income from the main out-of-work benefits.

Plus

Housing Benefit, Child Benefit and Child Tax Credit.

The cap will be:

- £500 p/wk for couples and lone parents
- £350 p/wk for single adults with no children

Exemptions

The following households (claimant, partner and any children you are responsible for when working out your Housing Benefit) will mean you are exempt from the cap when:

You are entitled to:

- Working Tax Credit

You are in receipt of:

- Disability Living Allowance
- Personal Independence Payment
- Attendance Allowance
- The support component of Employment Support Allowance
- Industrial Injuries Benefits (and equivalent war disablement)
- Pensions and payments under the Armed Forces Compensation Scheme)
- War Widows and War Widowers pension

Grace Period

You will be exempt from the cap for a Grace Period of 39 weeks if you have been in employment or self employment for 50 out of 52 weeks immediately preceding your last day of work and during that time you have not claimed Income Support, Job Seekers Allowance or Employment and Support Allowance for any period of days for more than two weeks.

Please note that any adult children living in your household, and receiving a benefit in their own right, would not normally count as part of your household for the purposes of the benefit cap.

Where the benefit cap would not apply

You will not be capped where someone in the household (claimant, partner or any children you are responsible for when working out your Housing Benefit):

- Obtains work and becomes entitled to Working Tax Credit;
- Receives one of the benefits that exempts you from the cap.

You could also:

- Move to cheaper accommodation or negotiate a rent reduction to one which is more affordable.

Out-of-Work Benefits that are taken in to account when calculating your cap

- Bereavement Allowance
- Carer's Allowance
- Child Benefit
- Child Tax Credit
- Employment and Support Allowance (except where it is paid with the support component)
- Guardian's Allowance
- Housing Benefit whether paid direct to you or to your landlord (but not including Housing Benefit paid for Supported Exempt Accommodation)
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance
- Maternity Allowance
- Severe Disablement Allowance
- Widowed Parent's Allowance
- Widowed Mother's Allowance
- Widow's Pension, including the Age-Related component

For more information about Benefit Cap please visit www.gov.uk/benefit-cap