

Adviser Checklist - The Bedroom Tax

Clients living in social sector housing (council, housing association or other social landlord) and who receive Housing Benefit, will receive a cut in Housing Benefit if they have more bedrooms than they are deemed to need. The amount by which HB is reduced is 14% of the weekly rent for one bedroom, 25% for two or more bedrooms.

Does the client in fact have a spare bedroom?

Under the social sector rules, one bedroom each is allowed for

- Each adult couple (whether married and unmarried, also same sex couples whether in a civil partnership or not)
- Any other adult aged 16 or over
- Any two children of the same sex aged under 16
- Any two children under the age of 10
- A child
- A non-resident carer – if the client is a person who needs overnight care

Is the client exempt?

The social sector rules do not apply if:

- The client or their partner is at least the qualifying age for pension credit
- Local housing allowance rules or the local reference rent rules apply
- Shared ownership tenancies
- The property is a houseboat, caravan or mobile home
- Some temporary accommodation provided by a local authority or registered housing association
- The client or their partner/former partner has been living in the same property and in receipt of Housing Benefit continuously since 1st January 1996; temporary breaks of up to 4 weeks do not affect exemption, neither do breaks of up to 52 weeks for Welfare to Work recipients.

Is the client allowed an additional bedroom?

An extra bedroom is allowed in the following circumstances:

- If the client is a foster or kinship carer, providing a child is actually placed with them, or has been [placed with them in the past 52 weeks.
- If the client or their partner has a son, daughter, stepson or stepdaughter in the armed forces, even when they are away on operations, provided they intend to return home. No non-dependent is applied while they are away.
- A child in the household needs a separate bedroom because of a disability

Options for those who are affected by the reduction

1. Moving to a smaller property – transferring through the Tower Hamlets waiting list, or to private sector rented property (but note that other HB restrictions may apply to the rent) or exchanging with another social sector tenant.
2. Finding the money to cover the extra rent – whether from the client’s own income or from another member of the household. You should check that the client is getting all the benefits they are entitled to, and could help them with a budget sheet/refer for money management advice.
3. Applying for a Discretionary Housing Payment – this is not a long term solution, but may help to tide the client over while they look into other solutions.
4. Taking a lodger – rent from a lodger for whom the client does not provide board (meals) has a £20 a week disregard; rent from a lodger with board has £20 disregarded, and only half of the remaining rent is taken into account as income. For housing benefit, this applies even if the lodger is a close relative and it is not a commercial arrangement. The treatment of rent applies for each lodger.