**Adviser Checklist – Benefit Cap**

**Benefit Issues**

 Check the calculation of benefits – is it correct?

The benefit cap is a limit on the total amount of benefit claimants can get. Please note that only working age claimants on Housing Benefit or those in receipt of Universal Credit are affected by the benefit cap and only ‘specified benefits’ are taken into account for the cap so some benefits are NOT included (e.g. council tax reduction, childcare element of universal credit, free school meals, one-off payments).

 Is the client exempt?

 The cap will not apply to households where:

* + the amount they receive is below the limit of benefit they can get.
	+ they get Working Tax Credit (even if the amount they get is £0).
	+ they are on Universal Credit and earn £793 (net – 2024/5 rate) or more per month combined if this is couple.
	+ the claimant, their partner or dependent child is receiving Disability Living Allowance or Personal Independence Payment.
	+ the claimant or their partner is receiving the Limited Capability for Work and Work Related Activity Element of Universal Credit, Employment Support Allowance (support component), Attendance Allowance, Carer’s Allowance, War pension and War Widow’s or War Widower’s pension
	+ There is a ‘grace period’ of 9 months where the cap will not apply if the claimant earnt the equivalent of or above, the earnings threshold (£793) for all 12 months immediately preceding the day their earnings went down or they stopped working.
	+ Note other situations may meet these criteria but there are not all covered here.

 If the claimant is not exempt now – can they become exempt?

* Can they find work or increase hours at work?
* Check eligibility for disability benefits – if not getting, could they be eligible for a disability benefit?
* If they cant become exempt, it may be possible to get a Discretionary Housing Payment (DHP) to cover the interim period.

**Debt/Money Management Issues**

* Could the shortfall between housing benefit and rent be met through better budgeting?
* Is the client repaying credit debt that could be written off or have the repayments reduced (refer for debt advice)?
* Are there ways to reduce other essential costs such as fuel costs?
* Could non-dependents contribute more?
* Is the client getting Council Tax Reduction?

In all cases, referral for a financial assessment/debt advice/financial literacy support should be considered.

Check [www.thcan.org.uk](http://www.thcan.org.uk) website debt page for Tower Hamlets organisations offering financial literacy support.

**Housing Issues**

* Is the client in private or public sector housing? If private, can rent be negotiated down to an affordable level?
* If unaffordable, is the client eligible to apply for social housing? (long term solution)
* Are the client’s circumstances likely to improve significantly in the foreseeable future (e.g. by obtaining work, increasing hours of work) – if so, it may be possible to get a Discretionary Housing Payment (DHP) to cover the interim period.
* Is there any potential for legal challenges to repossession? (housing specialist referral)

In any cases where repossession is threatened, the client should be referred for specialist housing advice wherever possible. If there is no prospect of the client being able to afford the rent then information should be given on:

* Accessing more support to find employment – including ESOL classes, volunteering, training opportunities – not only for the client but for any non-dependents in the household.
* Homelessness applications (if client is eligible) – but note that temporary accommodation may also be subject to the benefit cap.
* Finding cheaper accommodation. This may be outside the borough.

The above checklist can also be used when advising clients about the effect of the new Local Housing Allowances AND Housing Benefit reduction for under-occupation.