

Benefit bulletin: Big benefit changes and news

This benefit bulletin has been produced by the Active Inclusion Newcastle Unit, Newcastle City Council

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Universal Credit ‘full service’ roll out to Newcastle City Jobcentre

On 25 May 2016, full Universal Credit rules will be rolled out to those living in the area covered by one of the three Jobcentre Plus offices in Newcastle – Cathedral Square. This is part of a national roll out of the Universal Credit ‘full service’ for all types of claimants taking place between May 2016 and June 2018. The roll out in this area will take place in three ways:

1. If someone makes a claim for one of the six (‘legacy’) benefits that Universal Credit is replacing (listed below), they will have to claim Universal Credit. This will have to be done [online](#) but Jobcentre provide a helpline – 0345 600 0723 – which is available Monday to Friday, 8am to 6pm.
2. If someone is already on one of the ‘legacy’ benefits but has a change in circumstances, which necessitates a change from one benefit to another, they will be told to claim Universal Credit.
3. If someone is already on Universal Credit – because for example, they already had to claim it as a single person – they will have to move onto the full Universal Credit system at some stage.

To clarify, going onto the full Universal Credit system means just that: one benefit (Universal Credit) instead of up to six benefits being paid monthly in arrears – normally into a bank account and normally to one person in a couple; having to claim and report changes online; increased work related requirements for the claimant and their partner; and possible changes in amounts.

This is the list of the ‘legacy’ benefits that Universal Credit is replacing:

- Income-related Employment and Support Allowance (ESA)
- Income-based Jobseeker’s Allowance (JSA)
- Housing Benefit
- Income Support
- Child Tax Credit
- Working Tax Credit

As more details emerge we will update our web page on [Universal Credit](#) which also has details of the local support for vulnerable people, which the City Council is developing jointly with the Jobcentre, Your Homes Newcastle and others.

Changes from April 2016

Here are some of the main changes taking place this April. For more changes see our [Important benefit changes and news – timeline](#) on our [Changes to the benefits system web page](#).

Changes for pensioners

A number of changes are taking place for older people regarding pensions and pension age.

A **new flat rate State Pension** is being introduced for people reaching State Pension age from 6 April 2016 onwards. This is explained on the [Age UK](#) and [Money Advice Service](#) websites. The [Government say](#) that around three quarters of people will have notionally higher income under the new state pension.

For some years now the Government has been **increasing State Pension age** for women up to that of men and then increasing it for both men and women to 66 by October 2020. The Government plans to further increase the State Pension age from 66 to 67 between 2026 and 2028. The Government have announced [a review to consider further increases](#).

To find out your State Pension age go to the [Government's State Pension age and Pension Credit age calculator](#).

Help with the cost of the Council Tax bill

In addition to [Council Tax discounts, reliefs and exemptions](#), the [Council Tax Reduction scheme](#) can help towards the bill. It can be claimed from the council.

From April 2016, working age people can claim Council Tax Reduction on up to 85% of the bill. It is 100% for pensioners, as prescribed by Central Government. Those who have claimed will receive bills explaining the amounts.

Tax Credits, Universal Credit and Housing Benefit amounts

Although the Government agreed [not to go ahead](#) with some Tax Credit cuts in April 2016, similar cuts are taking place to Universal Credit. It means less people will be better off in work than originally proposed. The [Institute for Fiscal Studies](#) reckon 2.6 million working families will be an average of £1,600 a year worse off than under the current system while 1.9 million will be £1,400 a year better off. However, help with childcare costs is increased under Universal Credit.

The extra element in Housing Benefit for having a child is [withdrawn for new claimants and for some existing claimants](#).

Tax Credits ignores a certain amount of annual increases in wages. This has been reduced from £5,000 to £2,500 a year.

Help with mortgage costs

Generally, when someone claims a benefit like Income Support or Universal Credit, they may be able to get some help with certain mortgage costs, called [Support for Mortgage Interest](#), after a waiting period. For those who claim on or after 1 April 2016, the waiting period is increased from 13 weeks to 39 weeks. It is vital therefore that the claimant tells their lender about their situation. [In a letter to the social Security Advisory Committee Lord Freud believed lenders will 'forebear'](#). There is no waiting period for those of pension age.

Working age benefits frozen

Normally there is an increase in benefits each April. Following recent restrictions, the [Summer Budget 2015](#) announced a freeze on working age benefits in this April's uprating. [The Institute for Fiscal Studies](#) say that 13 million families will lose £260 a year on average and 7.4 million in work will lose £280 a year on average.

Other changes

Jobcentre Plus support to be rolled out to schools

A new scheme will offer advice and work experience opportunities to 12 to 18 year olds. The ['Jobcentre Plus Support for Schools' initiative](#) will be gradually rolled out across England and each school will decide what level of support the advisers offer their pupils.

New video interpreted service for BSL users wanting to speak to the DWP

The Government has announced [a new pilot video relay service to help British Sign Language \(BSL\) users contact the Department for Work and Pensions \(DWP\)](#). BSL users will be able to make interpreted video calls to the DWP via their smartphone or computer and a professional interpreter then relays the call in English to a DWP member of staff. No appointment will be necessary. A link will be provided on each relevant gov.uk page such as the [Disability Benefits Centre](#) contact page. The hyperlink will act as a 'call' button.

New Tax Credits online service

HM Revenue & Customs (HMRC) has launched a [new digital service for Tax Credits claimants](#) that allows them to check their next Tax Credits payment details online. The service will be updated over the coming months to allow claimants to report changes in their circumstances online.

Terminally ill people transferring to Personal Independence Payment

New rules mean that from 4 April 2016 most people who are classed as 'terminally ill' and are transferring from Disability Living Allowance (DLA) to Personal Independence Payment (PIP) will not have the minimum 28 days wait. This applies to the 99% of the people whose PIP will be higher than their DLA award. [Link to the legislation explanation](#).

Thousands of people who are on the sick and have greater health problems or disabilities do not get DLA or PIP

Those who are incapable of work and have additional disability or health problems may go into the 'support group' of Employment and Support Allowance (ESA). [DWP statistics](#) show that almost 380,000 of them do not get one of the two disability benefits for working age people – [DLA](#) or [PIP](#).

Although the criteria are different there is some overlap. If you work with someone who is in this position you may wish to consider a PIP claim.

The benefit cap: new amounts, timing and exemptions for some carers and others

The [benefit cap](#) was introduced in April 2013. It means that the total amount of benefits for many claimants is limited to two set amounts – £500 per week for couples (with or without children living with them) and for single parents whose children live with them, and £350 per week for single adults who don't have children, or whose children don't live with them. The Government plan to lower these amounts [from autumn 2016](#) so more people will see their benefit 'capped' (or cut) and state that they will "give households several months to take up any support they might need and to prepare for the new cap coming in".

Some people are **exempt** from the benefit cap and recently the [Government announced](#) that "later this year" they would also exempt people who are receiving [Carer's Allowance](#) and [Guardian's Allowance](#) whether or not the cared for person is part of the household.

The changes in the above cap amounts are from £500 to £385 and from £350 to £258. The new amounts are higher in London.

Housing Benefit for social housing tenants to be limited to private sector levels

The [Spending Review and Autumn Statement 2015](#) announced that the Government plan to limit the amount of rent that Housing Benefit will cover in the social rented sector to the [relevant Local Housing Allowance \(LHA\) rate](#). LHA is the private sector limit on Housing Benefit and depends on family make up, age and local area. The LHA rate will apply from April 2018 to social housing tenancies signed or renewed after 1 April 2016.

This will be deferred until 1 April 2017 for those in supported accommodation, to allow the Government to consider a research report on supported accommodation.

News from the DWP

Sign up for the [DWP's Touchbase](#) – news for advisers and intermediaries.

Further information and help

Can be found on [Newcastle City Council's welfare rights and money advice web pages](#), including the benefits mentioned above, where to get advice in Newcastle, benefit self-help factsheets, a timeline of benefit changes since January 2014 and [changes to the benefits system](#).

This benefit bulletin was written in **March 2016** by the Active Inclusion Newcastle Unit, Newcastle City Council. It is provided bi-monthly and at times of important benefit changes and news. It is as accurate as possible at the time of writing. The bulletin is part of the Active Inclusion Newcastle offer of support to professionals, which includes benefits and debt awareness **face to face training** and **eLearning**. [For more details see our web page for professionals and volunteers](#).

You may also be interested in the weekly **Active Inclusion Newcastle e-bulletin** which provides a brief update on financial inclusion and homelessness prevention issues. If you want to receive this, or for more details, email: activeinclusion@newcastle.gov.uk