

HOUSING BENEFIT AND COUNCIL TAX BENEFIT

Information for Landlords and Agents



Housing and Council Tax Benefits – information for landlords and agents

We have written this leaflet for landlords and agents. The rules are the same whichever area you live in. If you don't know which council covers the area your property is in, you can find this information on the Council Tax bill for that property.

What is Housing Benefit?

It can often be hard to pay rent. We can give people on low incomes help to pay their rent. This is called Housing Benefit. Housing Benefit is a national benefit, which local councils deal with.

Who can claim Housing Benefit?

Anyone on a low income who pays rent for the home they normally live in can claim Housing Benefit. This may include boarders (people who get meals as part of their tenancy agreement). Only the tenant can claim. You cannot claim for them. To get Housing Benefit a tenant must:

- be responsible for paying the rent;
- be living in the property as their normal home; and
- make a claim for benefit.

You and your tenant should not assume that we will pay benefit until we tell you in writing.

Who cannot claim Housing Benefit?

Tenants cannot usually get Housing Benefit if they:

- live with and pay rent to a close relative;
- used to live with their landlord as a member of their family;
- are renting a home they used to share with their ex-partner;
- are responsible for their landlord's child;
- used to own the property which they now rent;
- live in the home as part of their job;
- live in a care home; or
- are a full-time student.

If your tenant is not sure whether they can get benefit, they should make a claim or contact us for more advice.

What is Council Tax?

Council Tax is a way of paying for our services, such as libraries and schools, emergency services (such as the police and the fire service), street lighting and collecting your rubbish.

Who must pay the Council Tax?

A person who owns and lives in a property (an owner-occupier) or a tenant aged 18 or over, living in the property is usually responsible for paying the Council Tax.

What is Council Tax Benefit?

We can give people on low incomes help to pay their Council Tax. This is known as Council Tax Benefit.

Who can claim Council Tax Benefit?

Any owner-occupier or tenant aged 18 or over who is legally responsible for the Council Tax can claim Council Tax Benefit.

Who cannot claim Council Tax Benefit?

In certain circumstances, owners who do not live in the property must pay the Council Tax. They cannot claim Council Tax Benefit. The most common example of this is a house in multiple occupation (HMO).

An HMO is where:

- tenants rent rooms in the property and share facilities, for example, a bathroom or kitchen (or both); and
- each tenant has a separate tenancy agreement.

In an HMO the landlord or owner is responsible for paying Council Tax. However, if you have tenants in the property, you can charge them for Council Tax as part of their rent. Please contact us if you need any more information or advice.

How does my tenant claim Housing Benefit or Council Tax Benefit?

Tenants who claim Income Support or income-based Jobseeker's Allowance will get a Housing Benefit and Council Tax Benefit claim form (HCTBI) when they claim. They should send this form directly to our benefit section. Jobcentre Plus will tell us if the tenant gets Income Support or Jobseeker's Allowance (income-based). In some areas a new system being introduced by Jobcentre Plus will mean the claim for Housing Benefit and Council Tax Benefit is made on the same form as Income Support, Jobseeker's Allowance or Incapacity Benefit. In these cases, Jobcentre Plus will send the relevant information we need to decide on Housing Benefit and Council Tax Benefit.

If your tenant applies for Pension Credit, they will be asked whether they want to claim for Housing Benefit and Council Tax Benefit on the Pension Credit application form. If they apply by phone, the adviser will ask if they want to claim Housing Benefit or Council Tax Benefit (or both). The Pension Service will then send them an HCTBI (PC) form. They need to send the filled-in form to us. Our address is on the Council Tax bill or in the phone book.

If your tenant sends their form back to Jobcentre Plus or The Pension Service, they will pass the form on to us. Your tenants do not have to be getting Income Support, Jobseeker's Allowance (income based) or Pension Credit to get Housing Benefit or Council Tax Benefit (or both). In these cases they can claim Housing Benefit or Council Tax Benefit (or both) directly from us by filling in a claim form. They can ask us for a form. Our contact details are on the Council Tax bill or in the phone book.

Once they have filled in the form, they must send it back to us as soon as possible.

What information do you need to work out benefit?

When we get a claim for Housing Benefit or Council Tax Benefit (or both), we need to know:

- the tenant's and their partner's income and savings (unless they are on Income Support or Jobseeker's Allowance (income based) or Pension Credit);
- the tenant's family circumstances, including details about who lives with them; and
- the tenant's rent.

They will also need to provide proof of their and their partner's National Insurance number and identity (with a passport, birth certificate or driving licence, for example).

What proof of rent do you need?

We need proof of the rent your tenant has to pay. This is usually a tenancy agreement, but could also be a rent book or a letter from you. The proof must include:

- the full address of the property they are renting;
- your full name and address (if you are the landlord);
- the full name and address of any agent;
- the full name of all the tenants who live in the property;
- the start date of the tenancy;
- the amount of rent you charge them;
- how often they pay rent (for example, every week, every four weeks, or every month);
- what is included in the rent, (for example, meals, gas, electricity, water charges and the amount charged for these services);

- the date they signed their tenancy agreement;
- how long their tenancy will last;
- your signature; and
- the tenant's signature.

It is also useful if you give us details of any rent the tenant owes you.

Will Housing Benefit cover the full rent?

Housing Benefit may not cover the full rent you charge. Your tenant will have to pay any amount left over.

If the rent includes charges for services (such as water rates), we may need to take the cost of these from the rent before we work out the Housing Benefit.

We will also check that the rent is not too high. If it is, we will work out the benefit on a lower rent amount. In some cases we can reduce the rent amount we use if the home is too large for the tenant and their family. The rent amount we set, less any service charges, is called the 'eligible rent'.

How do you decide if the rent is too high?

All private rents have to be checked by the Rent Service to see whether the rent is reasonable. We must do this if:

- your tenant is claiming for the first time; or
- your tenant moves home.

The Rent Service will compare the rent with average rents for other properties in the same area. If the rent is higher than the average, we will assess benefit using a lower amount. We cannot work out Housing Benefit on a rent amount that is above the amount set by the

Rent Service. If your tenant needs more help with their housing costs (such as rent or Council Tax), they can apply to us for a Discretionary Housing Payment (extra help towards these costs).

When your tenant claims Housing Benefit and has given us all the information and proof we need (for example, proof of their income, rent, identity, how many people they live with), we do not wait for the decision from the rent officer to work out their benefit. We will pay benefit based on a rent amount the Rent Service has given us. Later, when the Rent Service gives us its final decision, we work out the benefit again.

Can I find out the eligible rent before a tenant moves in?

No, you cannot find out the eligible rent before a tenant moves in. But, if a tenant is thinking of renting from you, they can find out how much of the rent we will use to work out their Housing Benefit before they decide to rent the property. They can do this by filling in a pre-tenancy determination (PTD) form, which they can get from us. Our contact details are on the Council Tax bill or in the phone book.

A pre-tenancy determination does not mean that your tenant definitely will get Housing Benefit. Your tenant must still fill in a claim form and show us all the evidence we need.

What if my tenant is a student?

Most students cannot claim Housing Benefit or Council Tax Benefit (or both). But some students may get Housing Benefit if they are:

- single parents;
- a couple with dependent children;
- disabled; or
- getting Income Support or Jobseeker's Allowance (income-based).

If your tenant is a student and wants to know if they will get any benefit, they should contact us. Our contact details are on the Council Tax bill or in the phone book.

How much Housing Benefit will my tenant get?

If your tenant gets Income Support, Jobseeker's Allowance (income-based) or the guaranteed part of Pension Credit, they will normally get the maximum amount of benefit. That is, all of the 'eligible rent' and all of the Council Tax, less any non-dependant charges.

If they do not get Income Support or Jobseeker's Allowance (income-based), the amount of benefit they will get depends on the size of their household (how many people they live with) and their income. If the tenant, or any of their family, is disabled, they may get more benefit.

The size of the tenant's household will affect the 'applicable amount' for their claim which the Government set. The applicable amount is the lowest amount of money the Government think the tenant needs to live on.

When will the Housing Benefit start?

We will normally pay benefit from the Monday after your tenant makes their claim (to us or to Jobcentre Plus (for Income Support or Jobseeker's Allowance (income-based) or to The Pension Service (for Pension Credit).

If they are not sure whether to claim they should send us the claim form straight away, even if they are waiting for supporting documents, or they may lose money.

How long will benefit last?

We will pay your tenant benefit until their circumstances change. When this happens, we will look at their claim again.

How is Housing Benefit paid?

We normally pay Housing Benefit by cheque or directly into the tenant's bank account and it is their responsibility to pay you their rent. The tenant can also ask us to pay their benefit directly to you, but they can change their minds at any time. If they want us to pay Housing Benefit to you, they must tell us in writing. We will also ask you to sign a statement to confirm that you agree to accept benefit payments for the tenant, and that you understand your responsibilities (such as letting us know if the tenant's circumstances change). We may also ask you to pay back the money if we pay you too much.

What can I do if my tenant has rent arrears?

The Housing Benefit regulations say that if a tenant owes rent for eight weeks or more, we must pay you direct, unless we consider it in the tenant's best interest not to pay you direct. Please write to us if your tenant owes you eight weeks' rent or more, so we can decide what action to take.

How long does it take to sort out a claim for Housing Benefit?

We should pay Housing Benefit within 14 days of getting all the information we need to work out benefit. However, benefit is often delayed because we are waiting for information.

What happens if the tenant's circumstances change?

You and your tenant should tell us straight away, in writing, about any change that may affect their benefit. If your tenant is on Income Support or Jobseeker's Allowance (income-based) they must tell the Department for Work and Pensions as well. If they receive Pension Credit, they will need to tell The Pension Service straight away if their income or savings change. The Pension Service will then tell us.

Typical examples of changes in tenants' circumstances are:

- if they change address;
- if their rent changes;
- if the size of their family changes;
- if an adult moves into or out of the house;
- if the tenant stops getting Income Support or Jobseeker's Allowance (income-based); or
- if the tenant's income changes.

You or your tenant must report all changes to us straight away. It is an offence under Section 14 of the Social Security Administration (Fraud) Act 1997 if you or your tenant do not tell us about a change in their circumstances which might affect their entitlement to Housing Benefit or Council Tax Benefit.

How do I report a benefit fraud?

If you believe that someone is claiming benefit they are not entitled to, please phone us or the National Fraud Hotline on 0800 328 6340.

Please give us as much information as you can to help us investigate the situation. Any information that you give us will be confidential. You do not have to tell us who you are if you prefer not to.

What if you have paid too much Housing Benefit?

If we have paid too much benefit, we can ask you or your tenant to pay the money back. We may recover the overpayment by:

- taking money from your tenant's benefit;
- taking money from the payment we make to you for other tenants; or
- sending a bill to you or your tenant.

What if I or my tenant do not agree with any decision you have made?

If you or your tenant do not agree with our decision, you may be able to appeal. The appeal rights are different for tenants and landlords.

You can only appeal against our decisions on:

- whether we will pay benefit direct to you or not; or
- whether we decide you should repay an overpayment or not.

You cannot appeal about the amount of benefit or the dates we have awarded it for.

Tenants can appeal against any decision we have made about their benefit claim. We tell them about their appeal rights in the decision letters we send out.

You or your tenant must appeal in writing and send it to us within one month of the decision letter. You must tell us the reasons why you think our decision is wrong.

What information will you give me about my tenant's Housing Benefit?

If we pay Housing Benefit to your tenant, we cannot give you any information about their claim, unless they have given us permission in writing to discuss their claim with you. We cannot even tell you if they have made a claim.

If we pay their Housing Benefit to you, we can tell you:

- the date the benefit will start and end;
- the amount of benefit they get every week and how often we pay it;
- the amount we are taking from their benefit to recover an overpayment; and
- details of any cheque we pay directly to you.

If we pay your tenant's benefit direct to your agent, we cannot give you any information. You will have to ask your tenant or agent for any information you need.

Where can I get more advice?

If you want more help or advice, contact us. You can find contact details on your Council Tax bill or in the phone book.

National Fraud Hotline

Write to:
National Fraud Hotline
PO Box No 647
Preston PR1 IWA.

Freephone: 0800 328 6340

Website: www.targetingfraud.gov.uk

Fraud hotline: 01225 477874

Independent advice

If you need independent advice, contact your local citizens advice bureau. You can find their phone number and other local advice agencies in the phone book, at your local library or by contacting us.

Other formats

You can get the information in this booklet in large print, in Braille and in other languages. There is also an audio version on-line.

Visit our website www.benefit-leaflets.org for more information.

