



Welfare Reform:

What you need to know

Information Sheet:

Direct Payments

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What is the change?

The Welfare Reform Act 2012 allows the Government to introduce a new benefit called Universal Credit. This benefit will replace Housing Benefit, income based Jobseekers Allowance, income based Employment and Support Allowance, Income Support, Child Tax Credit and Working Tax Credit. It will be paid as a single payment to claimants on a **monthly** basis. This means that for the majority of claimants, housing benefit will no longer be paid directly to their landlord.

When will it happen?

This process will begin in **October 2013** and will affect both new and existing claimants of **working age**.

What does this mean?

This will be a big change for tenants who are used to having their housing benefit paid directly to JRHT. It means that claimants will have to set up ways of paying their rent themselves. The best way to do this is by direct debit, but can also be done by All Pay card (which are supplied by JRHT).

It is vital that you prepare for this change and arrange payment, as otherwise your rent account will fall into arrears and legal action may need to be taken which could put your tenancy at risk.

What if I don't have a bank account?

The government has estimated that approximately 13% of housing association tenants do not have bank accounts and therefore do not have access to direct debit facilities. If this applies to you, then we would encourage you to get in contact with the Garth on the numbers below so we can look at the options available to you.

What is working age?

The rules will only affect tenants of working age – those below the Pension Credit age. Pension Credit age is expected to be 61 in April 2013, and will rise in line with the women's state pension age until the pension age for men and women is the same in 2018. By 2020, the government has proposed that the state pension age will be 66 for everyone.

If you are worried about these changes or would like any more information, please contact the Money and Benefits Advisers –

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