

Citizens Advice Camden, GOSH Information Sheet 4: The Benefit Cap

020 7829 8896

Take home message

- *The Benefit Cap is intended as a maximum amount of benefit that anyone will be able to get*
- *There are exemptions, e.g. for people who get disability benefits or work full-time and claim Working Tax Credit*
- *The Benefit Cap mainly affects large families and families living in London*

What is the Benefit Cap?

- The Benefit Cap is the maximum amount a person should receive in benefits. The cap depends on each claimant's circumstances.
- The Cap works by adding up a person's total benefit income. Note that not all benefits are counted in this. If the total income is above the Cap, then their Housing Benefit (HB) or Universal Credit (UC) will be reduced to bring their income to the level of the Cap.
- It only applies if a person is getting HB or UC.
- It mainly affects families in London where rents are high.

What are the ways around it?

- The Cap does not apply if:
 - A member of the household is working full-time and has claimed Working Tax Credit (WTC). This applies even if they earn too much to actually get WTC.
 - If someone has stopped working having worked 50 weeks of the past 52, then the Cap will not be applied for 39 weeks.
 - If someone in the household gets a disability benefit such as Disability Living Allowance (DLA - see Sheet 1). This applies even if DLA payments stop because the child is an inpatient.
- Someone affected can claim discretionary housing payments from their council, though such help is not guaranteed or indefinite.

Disclaimer

June 2016

We have endeavoured to ensure the information in these sheets is correct at the time of print. Social security law, however, is a rapidly developing area of law and the information in these sheets may soon be out of date. No liability is accepted for their use by any party.

Any queries regarding these sheets should be directed to us on 020 7829 8896.