

The Government's WELFARE REFORM & BEDROOM TAX

THINKING OF TAKING IN A LODGER?

FOR INFORMATION &
ADVICE CONTACT US
WE ARE HERE TO HELP

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From April 2013 the UK Government is changing the way housing benefit is worked out. If you have more bedrooms than the Government say you need, you will lose part of your housing benefit, even if you only get a small amount of housing benefit. **This will affect you if you are under the pension credit age and even if you are sick or disabled.**

The below table will help you work out when you will be entitled to pension credit –

Date of Birth	Date state pension credit age is attained
On or before 5 October 1951	6 March 2013 or earlier
6 October 1951 to 5 November 1951	6 May 2013
6 November 1951 to 5 December 1951	6 July 2013
6 December 1951 to 5 January 1952	6 September 2013
6 January 1952 to 5 February 1952	6 November 2013
6 February 1952 to 5 March 1952	6 January 2014
6 March 1952 to 5 April 1952	6 March 2014
6 April 1952 to 5 May 1952	6 May 2014
6 May 1952 to 5 June 1952	6 July 2014
6 June 1952 to 5 July 1952	6 September 2014
6 July 1952 to 5 August 1952	6 November 2014
6 August 1952 to 5 September 1952	6 January 2015
6 September 1952 to 5 October 1952	6 March 2015
6 October 1952 to 5 November 1952	6 May 2015

You won't be affected if:

- You live in a one bedroom flat or bedsit
- You or your partner are old enough to receive pension credits. In April 2013 the pension credit age will be around 61 years and 6 months.
- You or your partner require an overnight carer (who does not normally live with you)

What is the size criteria?

The size criteria will restrict housing benefit to allow for one bedroom for each person or couple living as part of the household, with the following exceptions:

Children under 16 of same gender are expected to share; and

Children under 10 expected to share regardless of gender

EXAMPLE 1 - A single father who lives in a two bedroom property and has access to his children will be deemed to be under occupying a property by one room - *Housing Benefit will be reduced by 14%.*

EXAMPLE 2 - A couple with two girls aged 15 and 4 (both aged under 16 years) in a three bedroom property will be deemed to be under occupying by one room - *Housing Benefit will be reduced by 14%.*

Please note –

You must be claiming Child Benefit to be entitled to a room for children.

From some people, offering out a spare room to a lodger may be an option they wish to consider. A lodger can help you to pay your rent and other bills. You would need to get permission from the Co-operative before taking in someone. It would be up to you to find a lodger and collecting their rent. Any income from a lodger will be taken into account and deducted pound for pound from your housing benefit apart from the first £20. This means if you charge £20 per week from a lodger this amount will be ignored and won't affect your benefits.

This however reverses under Universal Credit (rolls out in October 2013) – lodgers will not be counted as occupying a room and the size criteria reduction will apply, but any income from lodgers will be fully disregarded and will not impact on the amount of a claimant's Universal Credit award.

So what is a lodger?

A lodger is a person who rents a room in someone else's home. Usually there is a formal arrangement in place that sets out the rooms that the lodger can use and those that he or she share with the rest of the household (eg the kitchen, living room and bathroom) in return for an agreed payment.

Close family members such as a parent, step-parent or parent-in-law, a son or daughter, step-son or step-daughter, a son-in-law or daughter-in-law, a brother or sister are not normally viewed as lodgers.

Our tenancy agreements give you, as a tenant, the right to take in a lodger, but require you to ask us for permission.

Things to think about when you consider taking in a lodger

There are obvious financial benefits to taking in a lodger, but before you ask us for permission, think about whether it's right for you. Think about how it will impact on your housing benefit if you receive any.

Having a lodger means you will be sharing your home, possibly with a stranger. If you live alone, this might mean that you will have some company, but it also means that you will be giving up some of your privacy.

If you have children, it is an important decision to make, particularly if you don't know a great deal about a potential lodger's background.

If you do want to have a lodger living with you, it is important that you choose who lives with you very carefully.

Should I establish house rules?

It is important to set some rules about what you will and will not allow in your home. Before you let your spare room to a lodger you need to give these some thought. For example, you might not want a lodger to smoke in the property or to keep a pet.

You don't want a list of rules which is too long, but you should at least set out how clean and tidy you expect your lodger to be.

You will want to tell a potential lodger about your house rules when you meet for the first time. He or she will need to know whether they would be comfortable living in your home before an agreement is made.

Who should I tell that I'm going to be taking in a lodger?

Don't forget that we need to agree to you having a lodger before he or she moves in. Once it has been agreed and you have taken in a lodger you need to let the following organisations know:

- Council Tax office – if you are a single person and receive a single person discount on your Council Tax you need to let your council know about your lodger. If your lodger is a student, he or she will not be considered to be a full time occupant and you will not lose your single person supplement.
- Department of Work and Pensions (DWP) – if you receive benefits you will need to let the DWP know that you have a lodger and the amount your lodger pays you each week. If you don't tell the DWP that you are receiving additional income from a lodger, you will be committing benefit fraud

- Easterhouse Housing Benefit office (1250 Westerhouse Road) – if you are on a low income and receive Housing and Council Tax Benefit, you will need to let the Housing Benefit team at Easterhouse know that you have a lodger and the amount you are paid each week. If you don't tell the Housing Benefit team that you are receiving additional income from a lodger, you will be committing benefit fraud. Furthermore they will still regard that room as being spare.
- You should also contact your Home Contents Insurers and inform them that you intend to take in a lodger. The insurance company may want some information from your potential lodger and might ask you to pay a higher premium. **If you don't contact your insurers and you make a claim on the policy, you might find out that the contents of your home are not covered.**

Finding a lodger

How should I go about finding a lodger?

There are many ways of finding a lodger. It can depend on where you live and the type of lodger you are willing to have living in your home. You need to think carefully about who you want to live in your home as a lodger. Letting a room is a business transaction between you and the lodger.

If you rely on word of mouth to find a lodger, this is likely to mean that the lodger is a friend of a friend or family member. This might be better, but it could also cause problems if you have to ask the lodger to leave for failing to pay the charge or behaving badly, for instance.

You can also advertise in the Glenburn Centre.

How should I select a lodger?

It is important to meet with people who are interested in being your lodger. The meetings should ideally take place in your home. This will give them the chance to meet you, look around your home and find out the basic rules of the house. It will also give you the opportunity to find out whether they are someone you are happy to share your home with.

You might want to have someone else with you when you meet your potential lodger. Their views might be important to you when you make your decision.

When you meet each one, it is a good idea to gather some basic information, such as where he or she has been living, their contact address and telephone number. You will also need to ask to see some form of identification and find out how he or she intends to pay the rent.

We have a form that can help you record these details. We will want to see some of the information when you apply for our permission to take a lodger. At this stage you will also want to ask him or her to provide you with contacts for references. It is important that you contact the referees to find out a little more about the person who will be living with you, before you agree to let your room.

You should ring everyone you have met and considered to let them know your decision.

Asking for permission to take in your lodger

It is a good idea to discuss your plans for taking a lodger with your housing officer before finding the person you hope will move in. Just as you will want to be sure that the person is right for you, we need to know who is living in our properties, and whether there could be safety concerns for staff and neighbours from the proposed lodger. If you want to take in more than one lodger, you must have our permission for each one. We will not refuse permission unless there is a good reason.

Once you have found your lodger, you should then write to formally ask for our permission. You will have asked for most of these details when you met with your potential lodger. If you want to take more than one lodger, make sure you give us details about each of them.

We will give you an answer within one month. If we cannot agree to your lodger we will give you our reasons. If you do not feel the decision is fair and reasonable you may ask for a review of the decision.

If you have any queries about this topic, please contact us.