

## Housing Benefit Circular

Department for Work and Pensions  
Caxton House, Tothill Street, London SW1H 9NA

# HB A12/2013

### ADJUDICATION AND OPERATIONS CIRCULAR

<b>WHO SHOULD READ</b>	All Housing Benefit (HB) staff
<b>ACTION</b>	For information
<b>SUBJECT</b>	Removal of the spare room subsidy – joint tenants.

### Guidance Manual

The information in this circular does affect the content of the HB/CTB Guidance Manual. Please annotate this circular number against A4 (restricting rent) and A5 (calculation of HB)

### Queries

If you

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## Removal of the Spare Room Subsidy – Joint Tenants

### Joint tenants

1. Whether or not a claimant is under-occupying will be determined in exactly the same way for a joint tenancy as any other.
2. You will need to determine the exact make up of the household as a whole of which the joint tenant forms a part. All occupants will be taken into account for the purposes of establishing under-occupation.
3. Once the makeup of the entire household has been established the normal formula for deciding the appropriate number of bedrooms will be applied. At this point no account should be taken of how the joint tenants and their households divide the rooms up among themselves.
4. If under-occupancy is established the standard 14% or 25% reduction will be applied to the whole eligible rent which will then be apportioned between the joint tenants. This may take account of how they divide the rent between them where appropriate.
5. The introduction of the size criteria rules will mean that claimants who live in a joint tenancy will not only have to inform the local authority (LA) of any change in the members and composition of their own household but also changes to that of their joint tenant, where there was not previously a need to do so.

### Joint tenants where one is of working age and one is a pensioner

6. Where you have joint tenants, one working age and one pension credit age, any reduction in rent due to under-occupancy will only be applied to the working age claimant. Any reduction should be applied to the full eligible rent and then the remainder should be apportioned appropriately.

#### Example 1

Two tenants, one working age and one state pension credit age who live in a three bedroom house. The eligible rent is £100.00, so a 14% reduction would leave £86.00. If the tenants divide the rent equally, the working age tenant would receive Housing Benefit (HB) of £43.00. The pension credit age tenant would continue to receive £50.00 as the size criteria rules would not apply to him.

The same principle applies if the tenants divided the rent differently between themselves, say 60/40. If the working age tenant usually pays 60% of the rent then after the 14% reduction was applied to the eligible rent of £100.00, leaving £86.00, the working age tenant would receive HB of £51.60. The pension credit age tenant would receive £40.00 as the size criteria rules do not apply.

## Where one joint tenant is entitled to a room for a non-resident carer

7. A bedroom is allowed for each of the categories of person set out in HB Regulation B13(5). This provides for an additional room for a non-resident overnight carer but only where it is the claimant or their partner who requires overnight care. Where a joint tenant claimant or their partner does not themselves require overnight care they will not be entitled to a room for a carer.

### Example 2 – 3 bedroom property

Where there are 2 joint tenants, living in a 3 bedroom property and one of them needs an overnight carer, the tenant who does not require an overnight carer requires a room for himself and a room for the other joint tenant. This means that there would be a 14% reduction in the eligible rent due to under-occupation.

The joint tenant who requires an overnight carer however would be entitled to a room for himself, one for the overnight carer and one for the other joint tenant i.e. 3 in total so a reduction would not be appropriate as there is no under-occupation.

The reduction due to the removal of the spare room subsidy is applied to the whole of the eligible rent which is then apportioned between the joint tenants to take account of how the rent is divided between them.

Rent is divided between the two tenants 50/50. The rent is £200.00 per week with no reductions. A reduction for the spare room subsidy is applied at 14% to the £200.00, which is a reduction of £28.00. This leaves £172.00. The joint tenant who has the spare room subsidy applied to their eligible rent would receive £86.00 – their rent being reduced by £14.00 [ $£28.00$  divided by 2]. In contrast the other joint tenant who does not have the spare room subsidy applied to their eligible rent would receive £100.00.

Example 3 – 4 bedroom property

Father and son are joint tenants of a 4 bedroom property. The son is disabled and requires an overnight carer. The son would be allocated 3 rooms using the spare room subsidy rule – one for himself, one for his father and one for the overnight carer. The son would be regarded as under-occupying the property by 1 room and a 14% reduction would apply.

The father would be allocated 2 rooms – one for himself and one for his son. He would be treated as under-occupying the property by 2 rooms and a 25% reduction in the eligible rent would apply.

Eligible rent is £200.00 without deductions per week. The rent is divided 50/50 between the tenants. The son has a 14% reduction for the spare room subsidy applied to his share of the eligible rent.

$£200.00 \times 14\% = £28.00$  which leaves  $£172.00$ . The son receives HB of  $£86.00$  [ $£100.00 - £14.00 = £86.00$ ]

The father has 25% reduction for the spare room subsidy applied to his share of the eligible rent.  $£200.00 \times 25\% = £50.00$  reduction which leaves  $£150.00$ .

The father receives HB of  $£75.00$  [ $£100.00 - £25.00 = £75.00$ ]