

THE BENEFIT CAP

Introduction

There is a cap on the total amount you can receive from the main out-of-work benefits and children's benefits. Some benefits are not included in the cap calculation. In some circumstances, you are exempt from the cap. The cap applies across the UK. This factsheet explains the benefit cap as it applies if you are being paid housing benefit. If you are being paid universal credit, the rules are slightly different. For more information on this, see our Guide to Universal Credit or contact an adviser on 01736 759500.

How much is the cap?

If you are a lone parent or if you have a partner (with or without children), the cap will be £384.62 a week. If you are single and do not have children, the cap will be £257.69 a week.

Which benefits are capped?

You will have a cap on your combined income from the following benefits:

- bereavement allowance
- child benefit
- child tax credit
- employment and support allowance except where the support component has been awarded
- housing benefit (unless you are in 'specified' accommodation - see below)
- incapacity benefit
- income support
- jobseeker's allowance
- maternity allowance
- severe disablement allowance
- widowed mother's allowance
- widowed parent's allowance
- widow's pension

Benefits not included in the cap

The following benefits are not included in the cap:

- armed forces independence payment
- bereavement payment
- budgeting loans
- carer's allowance
- cold weather payments
- council tax reduction
- discretionary housing payments
- free school meals
- funeral payments

- local welfare assistance payments
- pension credit
- state pension
- statutory adoption pay
- statutory maternity pay
- statutory paternity pay
- statutory sick pay
- Sure Start maternity grants
- working tax credit.

Exemptions from the cap

You are exempt from the cap if you or anyone in your household (a partner or dependent child) is getting any of the following:

- Armed Forces Compensation scheme guaranteed income payment;
- attendance allowance;
- carer's allowance;
- disability living allowance;
- guardian's allowance;
- housing benefit - if you are living in supported accommodation (referred to as '*specified*' accommodation in current housing benefit legislation);
- industrial injuries benefits;
- personal independence payment;
- war disablement pension; *or*
- war widow's, widower's or surviving civil partner's pension.

You are also exempt from the cap if you or your partner is getting:

- the employment and support allowance support component
- working tax credit even if you have been awarded a 'nil entitlement' - you must be working the relevant number of hours according to your circumstances - for more information see our Guide to Working and Child Tax Credit or call a DIAL adviser on 01736 759500.

The 'grace period'

There is a '*grace period*' of 39 weeks, when you will not be capped, if you (or your partner) have been doing paid work for a period of 50 weeks out of the 52 weeks immediately before your last day of work. You must not have been entitled to employment and support allowance, jobseeker's allowance or income support during this time.

How is the cap is applied?

If your total income from the relevant benefits is greater than your cap, your local authority will reduce your housing benefit payments. You may not have the full cap applied if your housing benefit payments are too low.

Benefit cap calculator

There is an online benefit cap calculator at www.gov.uk/benefit-cap-calculator where you can test how the benefit cap might affect you.

Discretionary Housing Payments

You may be able to get discretionary housing payments (DHPs) if your housing benefit has been reduced because of the benefit cap.

Most local authorities have a form on which to request a DHP. If your authority does not, write a letter instead.

You do not have a right to a DHP. It is up to the local authority whether they give you any payment.

If you need any further support or information please contact DIAL on 01736 759500 or you can refer directly to the link below:

www.disabilityrightsuk.org

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