

# Citizens Advice Camden, GOSH

## Information Sheet 5: The Bedroom Tax

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### *Take home message*

- *The Bedroom Tax is a penalty applied to the Housing Benefit of people living in social housing who are deemed to be under-occupying*
- *It does not apply to private renters*
- *The Bedroom Tax should not be applied where a room is needed for, e.g., the disability needs of a child*

### *What is the Bedroom Tax?*

- The Bedroom Tax is not in fact a tax. Its official name is the ‘removal of the spare room subsidy’ but there never was a ‘spare room subsidy’. The Tax is actually a penalty.
- It is applied to people who rent homes in the social housing sector (council and housing association homes). It applies where the local authority (council) deems the family to be under-occupying the property, e.g., where a couple are renting a two bedroom property.
- If the family are under-occupying by one room, their Housing Benefit (HB) is reduced by 14%; if they are under-occupying by two or more rooms, their HB is reduced by 25%.

### *When does it not apply?*

- The Tax does not apply to people who rent in the private sector. Their rent is restricted by local housing allowance rules, which also stipulate a maximum amount of HB in each area.
- The Tax should also not be applied where an additional room is needed to meet the needs of a disabled family member. Anyone caught by the Bedroom Tax in these circumstances should be referred to us.
- People caught may be able to claim discretionary housing payments to cover any rent shortfall but this help is not guaranteed or indefinite.

#### **Disclaimer**

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