



# How is Housing Benefit calculated for exempt accommodation?

## Basic info

The Housing Benefit calculation uses three key figures that vary according to the circumstances of the claimant:

- Appropriate maximum Housing Benefit (AMHB)
- Applicable Amount
- Income

## Applicable Amount

The Applicable Amount is the amount of money allowed for weekly living expenses other than rent, such as food, fuel, clothing etc. It consists of standard amounts set by central government for single people and couples of different ages and any dependent children for whom they are responsible.

- If the claimant's income does not exceed the Applicable Amount, he or she is awarded the full AMHB
- If the claimant's income exceeds the Applicable Amount, he or she is expected to make a means-tested contribution towards his/her rent and the AMHB is reduced accordingly

## Income

The most common items of income received by people who live in exempt accommodation are:

- Department for Work and Pensions benefits:
  - Means-tested benefits: Income Support, income-based Jobseekers Allowance, income-related Employment and Support Allowance, State Pension Credit and Universal Credit
  - If the claimant receives any of these s/he is automatically entitled to full AMHB - irrespective of any other income s/he receives as well
  - Contribution based benefits: Jobseekers Allowance, Employment and Support Allowance, Incapacity Benefit, State Retirement Pension
  - These are taken into account in full as income
- Earnings from employment
  - A small amount of earnings (usually between £5 and £25 a week) is disregarded from the assessment and the rest is taken into account as income
  - But if the claimant is doing permitted "exempt work" while officially unfit for work the earnings are ignored completely. For more information about exempt work see How is housing benefit calculated when a person living in exempt accommodation is employed?

## AMHB

AMHB consists of:

- The eligible rent, which may be the full amount of rent the claimant has to pay



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to the landlord or may be restricted in various ways (see "What are the benefit limits from which exempt accommodation is exempt?" below), **minus**

- Any non-dependant deductions that apply in the claimant's case. A non-dependant deduction is a notional contribution towards the rent from adults aged 18+ living as part of the household. There are not usually any non-dependant deductions in exempt accommodation

## Eligible rent in exempt accommodation

The eligible rent is less likely to be restricted in an exempt accommodation case than in other Housing Benefit cases: the rules are designed to cover the reasonable additional costs to the landlord of owning, leasing, managing and maintaining exempt accommodation. But there are some restrictions that can apply: disputes and appeals about these restrictions are not uncommon.