

Supporting refugees affected by the benefit cap

What is the benefit cap?

The benefit cap is a limit on the total amount of welfare benefits each family or individual receives. The benefit cap affects Universal Credit as well as Child Benefit (if the family you support still gets legacy benefits you can find list of all affected benefits [here](#)).

As of 28 May 2020, the benefit cap is set at following levels:

Outside Greater London

- £384.62 per week (£20,000 a year) for single parents and couples with or without children (note: the amount is the same regardless of the number of children)
- £257.69 per week (£13,400 a year) for a single adult

In Greater London

- £442.31 per week (£23,000 a year) for single parents and couples with or without children (the amount is the same regardless of the number of children)
- £296.35 per week (£15,410 a year) for a single adult

Who is not affected by the benefit cap?

Not every family will be affected by the benefit cap. There are certain conditions which will mean the family you support will be exempt. Here are some of the conditions that are most likely to apply to refugee families:

- One of the adults in the household unable to work due to disability or health condition and awarded disability related benefits
- One of the adults in the household caring for someone with health condition or disability and receiving Carer's Allowance
- A child in the household having a health condition or disability and receiving Disability Living Allowance

You can see a full list of conditions excluding families from benefit cap [here](#).

Managing finances when affected by benefit cap

The immediate, short term solution for families affected by the benefit cap is making application to your Local Authority for Discretionary Housing Payment (DHP). Each local authority has a pot of money available to people who cannot afford to pay their rent and this will include those affected by the benefit cap. Discretionary Housing Payment is

usually awarded for an initial period of 3 to 6 months and usually will only be extended under certain conditions – for example the family showing that they are looking for work and have a plan for accessing employment. DHP may cover all of the shortfall caused by the benefit cap, or part of it. Often Local Authorities choose to reduce the amount of DHP paid to the family over time. We recommend putting in a claim for Discretionary Housing Payment as soon as possible.

How to lift the benefit cap?

The benefit cap is lifted when one or more adults in the family jointly earn more than £604 a month on Universal Credit or if one of the adults starts to work and receives working tax credits in the case of legacy benefits.

The benefit cap can be a big challenge especially if your Group operates in an area where housing is expensive, but you can address this. Before the family arrives you can use the [benefit calculator](#) to see roughly how much in benefits they will receive and how likely it is that they will be benefit capped. You can also check with your Local Authority the demand on their Discretionary Housing Payments and how likely is it that the family will be able to claim it, for example, in the first year. After the family arrives make sure you explain that their benefits are capped, why that is and what can be done to prevent this. For most, employment is the best way for the benefit cap to be lifted and you may want to include this in your plans and conversations a lot earlier on than you would otherwise.

Useful Resources

- [Benefits and employment](#) section from Welcome to the UK
- [Accessing employment](#) resource