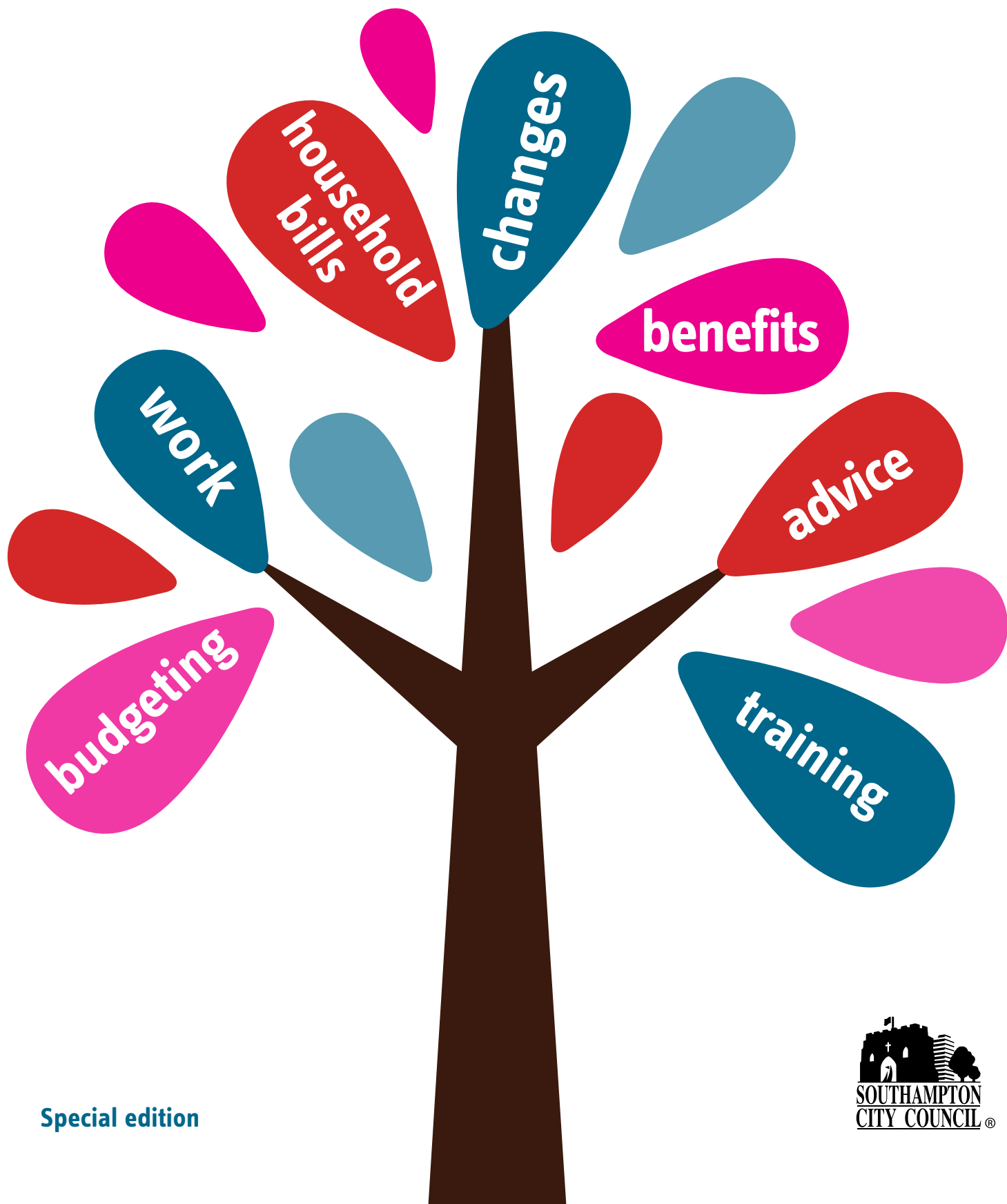


# Moneytree

Benefits are changing - make sure you're ready



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## THE FACTS

Over the next few years the government is making changes to welfare benefits and tax credits. These changes are the biggest in over 60 years and many will start from April.

Most of the changes only affect people of working age and could significantly cut the amount of money people receive from benefits.

Many people will be affected by several changes which may not all happen at the same time.

A number of benefits will be abolished and replaced from October 2013 with a new single benefit called Universal Credit.

This guide will help you understand the changes and help you to prepare for them. By making changes now you can plan for a drop in your income when the changes happen.



## YOUR CHECKLIST



Advice is given throughout this magazine - please take time to read it. Here are some important things you need to know and do:

- ✓ Find out which changes affect you
- ✓ Claim any benefits that you are entitled to
- ✓ Know your household budget, your income and spending - so you can prepare for changes
- ✓ Prioritise paying your rent, mortgage, utilities and council tax - even if you suffer an income drop
- ✓ Seek specialist advice if:
  - ◆ You are in danger of losing your home
  - ◆ You are falling into debt.

### Remember

These national changes to benefits are to ensure that households in work are not worse off than those out-of-work households claiming benefits. It should pay to work.



If you need help reading or understanding this magazine, the information is available in larger print on our website

🌐 [www.southampton.gov.uk/benefitchanges](http://www.southampton.gov.uk/benefitchanges) or you can call ☎ 023 8083 4919



## BENEFIT CHANGES 2013

The government is making major changes to the benefits and tax credit system which will affect a large number of households in Southampton. Some of the changes for people living in privately rented accommodation have already come in, while others will not happen until 2013 and beyond.

- These changes could significantly cut the amount of benefit you get.
- Do you know what effect these changes will have on your household?

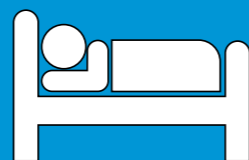
If you receive any benefits or welfare support then there are some critically important things you need to know and you might need to take some action.

Details are still being finalised. To make sure that you keep up-to-date with the changes and how these new schemes will affect you, visit [www.southampton.gov.uk/benefitchanges](http://www.southampton.gov.uk/benefitchanges)

### What is changing?

Date: April 2013

Benefit affected: Housing Benefit



#### Change:

New size criteria rules or a 'bedroom tax' will reduce the amount of Housing Benefit for people living in council or housing association homes, who have more bedrooms than they need under new government rules.

Details on page:  
**6-7**

Date: April 2013

Benefit affected: Council Tax Benefit



#### Change:

A new Council Tax Reduction Scheme will replace Council Tax Benefit which will reduce the amount of support people get.

Details on page:  
**8-9**

Date: April 2013

Benefit affected: Social Fund



#### Change:

Social Fund Crisis Loans and Community Care Grants will no longer be available.

Details on page:  
**10**

Date: June 2013

Benefit affected: Disability Living Allowance



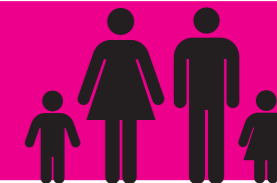
#### Change:

A new Personal Independence Payment will replace Disability Living Allowance with new eligibility criteria.

Details on page:  
**11**

Date: Summer 2013

Benefit affected: Housing Benefit



#### Change:

For those out of work, there will be a benefits cap on the total amount of benefits a household can claim.

Details on page:  
**12-13**

Date: From October 2013

Benefit affected: All means-tested benefits



#### Change:

A new benefit, **Universal Credit**, will replace a number of existing benefits. The amount you receive will depend on your family circumstances and level of income.

Details on page:  
**14-15**

### Help and advice



Detailed information on each of these changes is covered throughout this magazine. There is a further help and advice section at the end.

Details on page:  
**16-19**

#### Remember

These national changes to benefits are to ensure that households in work are not worse off than those out-of-work households claiming benefits. It should pay to work.

#### Pensioners will not be affected

If you or your partner is over the qualifying age for state Pension Credit (in April 2013 this will be around 61 years and six months) you will not be affected by most of these changes. To calculate when you will reach the state Pension Credit qualifying age visit [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension).



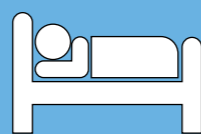
## NEW SIZE CRITERIA OR 'BEDROOM TAX' 1 April 2013

### What is the bedroom tax?

From April 2013, there will be a limit on the size of property people can claim Housing Benefit for. If their property is bigger than they need, their Housing Benefit will be reduced and they will have to make up the difference in their rent from other benefits or wages.

A household with one 'spare bedroom' will see their Housing Benefit cut by 14% of the total rent paid each week. The equivalent of £14 on rent of £100 per week. If they have two or more spare bedrooms they will lose 25% of the total rent paid each week.

#### Household with one 'spare room'



Housing Benefit cut by **14%** of total rent.

#### Household with two 'spare rooms'



Housing Benefit cut by **25%** of total rent.

### Who will be affected?

This only affects working age council tenants or housing association tenants claiming housing benefit. To work out if you have a 'spare bedroom' use the checklist below.

### Bedroom entitlement

Each of the following are allowed one bedroom:

- A couple
- A person aged 16 years or older
- Two children of the same sex until one reaches 16 years old
- Two children of the opposite sex until one reaches 10 years old
- A carer where you or your partner require overnight care.

If you have more bedrooms than the new rules allow for your family, you have a 'spare bedroom', even if the room is being used to sleep in.

This includes:

- Separated parents who have shared care of one or more children. Only the parent who receives Child Benefit will be allocated a bedroom for the child/children
- Parents whose children visit but are not part of the household
- Couples using a 'spare bedroom' when recovering from an illness or operation
- Disabled people who live in adapted or specially designed properties.

### Who won't be affected by the bedroom tax?

All pensioners are exempt i.e. anyone over Pension Credit age. See page 5.

### Examples of how the bedroom tax may affect a family

#### FAMILY 1



**Pete and Jill have two teenage girls aged 13 and 15, and live in a three bedroom house.**

Their rent is £115 per week and they currently receive full Housing Benefit of £115 per week. Under the new rules their children will be expected to share a bedroom until one reaches 16, so they will be treated as having one spare room. So 14% of their £115 rent (£16.10) is taken from their Housing Benefit, reducing it to £98.90. They now have to pay £16.10 a week of their rent from their other income.

#### FAMILY 2



**Hussein is a single person with no children living in a two bedroom flat.**

His weekly rent is £70 and he currently receives £45 a week Housing Benefit as he works part-time. He currently pays £25 towards his weekly rent from other income. Under the new rules he has one spare bedroom, so 14% of his £70 rent (£9.80) is deducted from his Housing Benefit, reducing it to £35.20. He now has to make up the shortfall of £34.80 a week from his other income.

#### FAMILY 3



**Jean and Brian are a couple with no children living in a three bedroom house.**

Their weekly rent is £110 and they currently receive full Housing Benefit of £110 per week. Under the new rules they will be treated as having two spare bedrooms. So 25% of their £110 rent (£27.50) is deducted from their Housing Benefit, reducing it to £82.50. They now have to pay £27.50 a week of their rent from their other income.

### Bedroom tax advice

**Look for work:** If you are not currently in employment, finding a job could help you to pay the additional rent.

**Increase hours of work:** If you are in employment consider increasing your working hours to make up the shortfall in rent.

**Consider a lodger:** If you have a spare room you may wish to take in a lodger to help make up the shortfall in rent. A lodger could also help towards household bills. For further information visit [www.southampton.gov.uk/rentaroom](http://www.southampton.gov.uk/rentaroom).

Be aware that any change in income could affect your benefits – check in advance with your local Housing Benefit office **023 8083 3009** and Jobcentre Plus **0845 6060 234**.

**Consider a mutual exchange to a smaller property:** Homeswapper is a free online house match service for tenants with a clear rent account, visit [www.homeswapper.co.uk](http://www.homeswapper.co.uk).

You can apply for a transfer if there is appropriate smaller size property available but there is a very long waiting list, you might have to wait several years. Contact Gateway, your local housing office or call **023 8083 4919** to discuss your options.

**If you do not pay your rent you are at risk of losing your home.**



### Further advice

Work out if you can afford to make up the shortfall in your rent (See page 19 on budgeting).

If you need more advice about the bedroom tax call the Council Tenants Information Line **023 8083 4919**.



## COUNCIL TAX BENEFIT CHANGES 1 April 2013

### What is happening to Council Tax Benefit?

Council Tax Benefit will be abolished nationally on 1 April 2013. It will be replaced by a local Council Tax Reduction Scheme. The government has reduced the funding given to local councils and this means a knock-on reduction in the amount of benefit available.

The new Council Tax Reduction Scheme will reduce the amount of support people of working age receive to help pay their council tax bill. From April 2013 that amount of support will be reduced on average by 12%, although some people will lose more. Everyone affected will have to pay more from their other income towards their council tax bill.

This change to council tax support is not a change the council wants to make and we do understand that it will hit people on low incomes very hard.

We have found some money for one year to keep the amount of council tax you pay as low as possible, but the amount you pay may go up again in 2014.



### How the new Council Tax Reduction Scheme will be calculated

The scheme is means tested based on the circumstances of the claimant, their partner and any family members. The following aspects are taken into account:

- The full council tax, less any discounts such as single person discount;
- The age of the person claiming and their partner (if any);
- The number of dependant children and whether the person claiming is a single parent;
- Whether anyone in the household has a disability or is a carer;
- Whether they are earning, on benefit or have other income;
- Certain outgoings, such as childcare payments and payments towards a pension;
- Savings and other capital;
- Non-dependant adults living in the household.

### Who will be affected?

- Anyone claiming Council Tax Benefit who is of working age.

### Who won't be affected?

Pensioners won't be affected by the change to Council Tax Benefit. See page 5.  
Also anyone who receives war or war widow's benefit or pension will be exempt from the change.



### Examples of how the new Council Tax Reduction Scheme will affect families

(current figures are based on the current council tax levels, 2013 figures assume an estimated 2% increase in council tax – but at the time of printing the Council has not made a decision on this).

#### FAMILY 1

A couple on Jobseekers Allowance (income based), living in a Council Tax band B property currently do not pay any Council Tax. Under the new scheme they will have to pay £97.57 a year from April 2013. This is the equivalent of £1.87 a week.

#### FAMILY 2

A non-working single person aged 26 on a low income of £95 a week lives in a band A property. They currently get £487.60 towards their Council Tax, leaving them to pay £235.82 a year. Their support from April 2013 will be £371.44 leaving them to pay £366.45. This is equivalent to paying £2.23 more a week.

#### FAMILY 3

A couple with two children, one of whom is working more than 36 hours a week have a total income of £350 after tax. They live in a band B property and have no savings. Currently they get £479.67 towards their Council Tax leaving them to pay £645.65 a year. Their support from April 2013 will be £246.35 leaving them to pay £901.48. This is equivalent to paying £4.47 more a week.

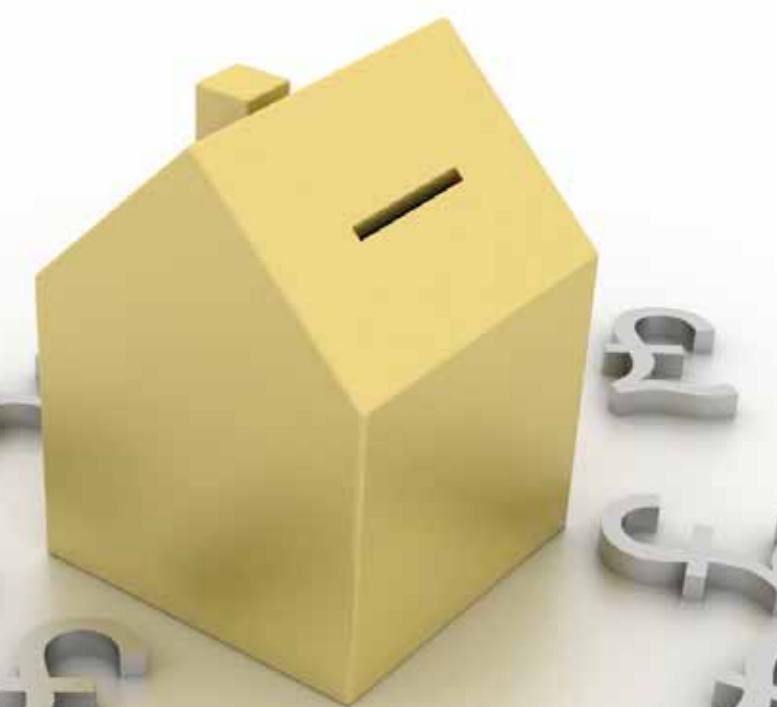
### Council Tax Reduction Scheme Advice

**Look for work:** If you are not currently in employment, finding a job could help you to pay the additional council tax.

**Increase hours of work:** If you are in employment consider increasing your working hours to make up the additional amount you have to pay towards your Council Tax.

**Work pays:** The government is clear that councils need to ensure their scheme provides incentives to work.

In Southampton, for every £1 of additional income you have we would reduce your benefit by 25p, meaning you keep 75p.



### Further advice

Work out if you can afford to make up the shortfall in your council tax (See page 19 on budgeting).

If you need more advice about the new council tax scheme call **023 8083 3009**.



## SOCIAL FUND April 2013

### Social Fund is changing

From April 2013 some elements of Social Fund will no longer be available. This change will affect Community Care Grants and Crisis Loans which will stop at the end of March. The council is working with local organisations to look at ways of providing essential emergency support to help vulnerable people on low incomes.

### What is staying?

The Department for Work and Pensions (DWP) will still offer interim payments and Social Fund Crisis Loan alignment payments for all benefits but these will be called **Short Term Benefit Advance (STBA)** from April 2013. You will also still be able to apply for **Budgeting Loans** but only if you have been claiming benefits for over six months.

**SHORT TERM BENEFIT ADVANCES (STBA)** provide an advance of your future benefit payment at the start of a benefit claim if:

- you have a change of circumstances which means a significant increase in the amount of benefit you are entitled to.
- you encounter a period of financial crisis before receiving your first benefit payment

Any advance of benefit will have to be repaid over a short time (up to 12 weeks). This will be taken back from subsequent payments of benefit.

**BUDGETING LOANS** will continue to be available to people who have been claiming the following benefits throughout the past six months:

- Income Support (IS)
- Jobseeker's Allowance (JSA) (income based)
- Employment and Support Allowance (ESA) (income related)
- Pension Credit.

Budgeting Loan application forms can be downloaded from [www.dwp.gov.uk/advisers/claimforms/sf500\\_print.pdf](http://www.dwp.gov.uk/advisers/claimforms/sf500_print.pdf)

#### For further information:

Call the DWP on **0845 6060 234**  
Monday to Friday, 8am to 6pm

Or visit [www.gov.uk](http://www.gov.uk) and search for 'Social Fund'



## DISABILITY LIVING ALLOWANCE IS CHANGING June 2013

### What is happening to Disability Living Allowance

Disability Living Allowance (DLA) is being replaced, for everyone 16-64 years old, by a completely new benefit called the Personal Independence Payment (PIP). All new claims from June will need to be for PIP not DLA.

If you currently receive DLA you will be contacted by the Department for Work & Pensions between April 2013 and March 2016 to be reassessed under the PIP rules, even if you have an indefinite or lifetime award. You will continue to receive DLA until a decision is made on your PIP claim. You need to re-apply or your DLA will end.

### How is Personal Independence Payment (PIP) different?

PIP like DLA is for people who have mobility problems, or who need personal care, supervision or support due to a disability. To claim PIP you must have a physical, mental health or learning disability that affects your ability to live a full, active independent life.

The amount of benefit you are awarded will be based on the impact of your disability or health condition and the extent to which you are able to live independently.

As part of the claim process for PIP most people will have to attend a medical. To receive PIP you will need to be able to satisfy the daily living and/or mobility activities test.

### Who will be affected by PIP

- Anyone who is or would be claiming DLA who is 16-64 years old after 1 June 2013.

### Who won't be affected

Children under 16 and people aged 65 and over who are currently receiving DLA will not be affected by the changes.

### Important facts

New claimants can apply for PIP from June 2013.

For existing claimants of DLA there is no automatic transfer from DLA to PIP.

You must make a claim for PIP within one month of being contacted by the DWP or your DLA claim will end.

You will be assessed under the new entitlement criteria.

### For further information:

Visit DWP website [www.dwp.gov.uk/policy/disability/personal-independence-payment](http://www.dwp.gov.uk/policy/disability/personal-independence-payment)





## BENEFIT CAP Summer 2013

### What is the benefit cap?

During summer 2013 a limit will be introduced to the total amount of benefit (including Housing Benefit) that an out-of-work household can claim. This is so that no family who are out of work will receive more in benefit payments than the average wage paid to people in work. If your benefits are above this limit your Housing Benefit will be reduced by the amount you are above the cap.

Benefit cap:

- a maximum of £500 a week for a couple (with or without dependent children)
- a maximum of £500 a week for a lone parent whose child/children live with them
- a maximum of £350 a week for a single adult who doesn't have children or whose child/children do not live with them.

**These will be the maximum amounts used for Universal Credit, see pages 14-15.**

Couple with children



£500 benefit cap per week

Couple without children



£500 benefit cap per week

Single adult with no children



£350 benefit cap per week

Single adult with children



£500 benefit cap per week

### Who will be affected?

The cap will apply to the combined income from a number of different benefits and tax credits including:

- Jobseekers Allowance
- Income Support
- Employment & Support Allowance (unless in the support group)
- Child Benefit
- Child Tax Credit
- Housing Benefit.

The cap will not include one-off payments, non-cash benefits and things like free school meals, nor will it include Council Tax Reduction Scheme. See page 8.

In the short-term if your household is above the benefit cap limit the deduction will be taken from your Housing Benefit payments. In the longer term it will form part of the new Universal Credit system and your benefit will be reduced by the Department for Work and Pensions see page 12

### Who won't be affected by the cap?



**All pensioners are exempt from the cap.**

The cap won't apply if you receive any of the following benefits:

- Working Tax Credit
- Disability Living Allowance or Personal Independence Payment (see page 11)
- Attendance Allowance
- Employment & Support Allowance if paid with the support component
- Industrial Injuries Disablement Benefit
- War Widow/er's Pension.

If you lose your job (through no fault of your own) after a period of 12 months continuous work, the cap won't apply for nine months.

### Examples of how the benefit cap may affect a family:

#### FAMILY 1



John and Karen have five children all under 16. They claim Jobseekers Allowance, Child Tax Credit, Child Benefit and Housing Benefit. They rent their home from the council and their weekly rent is £115. Currently they receive £568.80 a week in combined benefits. Their income will be over the cap of £500 per week.

From summer 2013 their Housing Benefit will be cut by £68.80 to bring their total income down to the £500 limit. They will have to pay the shortfall of £68.80 in their rent each week from their other benefits.

#### FAMILY 2



Raj and Sunita have four children all under 16. They claim Employment and Support Allowance as Raj is unable to work due to ill health. They also receive Child Tax Credit, Child Benefit and Housing Benefit. They rent their home from a private landlord and their weekly rent is £242.30. Currently they receive £659.26 a week in combined benefits. Their income will be over the cap of £500 per week.

From summer 2013, their Housing Benefit will be cut by £159.26 to bring their total income down to the £500 limit. They will have to pay the shortfall of £159.26 in their rent each week from their other benefits.

### Benefit cap advice

**You must take action if you are affected by the benefit cap:**

If your benefit is reduced you must find a way to make up the shortfall to pay your rent.

You may want to find work or increase your hours of work - or you may decide to reduce your outgoings.

If you are working and eligible for Working Tax Credit you will not be subject to the cap.

**The government has introduced this benefit cap to encourage people into work and make them less reliant on benefits.**

### How do you know if you will be affected?

You should have received a letter from the Department for Work & Pensions (DWP). If you have not received a letter, and think you may be affected, contact Jobcentre Plus on **08456 060 234**. Jobcentre Plus will be providing extra back-to-work support to households affected by the cap.

### For further information visit:

[www.gov.uk/benefit-cap](http://www.gov.uk/benefit-cap)

[www.southampton.gov.uk/benefitchanges](http://www.southampton.gov.uk/benefitchanges)

[www.dwp.gov.uk/docs/benefit-cap-faqs.pdf](http://www.dwp.gov.uk/docs/benefit-cap-faqs.pdf)

For further advice about the benefits cap call **023 8083 3009** or for council tenants you can also call our information line **023 8083 4919**



## UNIVERSAL CREDIT 1 October 2013

### What is Universal Credit?

Universal Credit is the biggest change to the benefits system since it began and will replace a number of benefits. Universal Credit will provide support for working-age claimants, both in work and out of work. It is being introduced to:

- reduce the cost of the benefit system
- make it easier to start work
- provides a single monthly payment in arrears similar to how a wage is paid to a single household
- simplify the existing system.

The amount you will receive will depend on your income and other family circumstances. There will be a basic personal amount (similar to the current Jobseeker's Allowance) with extra amounts for disability, caring responsibilities, children and housing costs.



### Who will be affected?

Universal Credit will replace and combine a number of means-tested benefits and tax credits, including:

- Income Support
- Income-based Jobseekers Allowance
- Income-related Employment & Support Allowance
- Housing Benefit
- Child Tax Credit & Working Tax Credit.

Universal Credit will be introduced to **new claimants in October 2013**. It will be gradually introduced to existing claimants from April 2014 to 2017.

If you claim any out-of-work means-tested benefits and/or Housing Benefit you will be transferred to Universal Credit.

There will be a limit on the total weekly benefit for an out-of-work household so that no family who are out of work will receive more in welfare benefits than the average take home pay of a family in work (see information on the benefit cap page 12-13).

### Who won't be affected?

People of State Pension Credit age (this will be about 62 years in October 2013) will not transfer to Universal Credit. They will continue to get Pension Credit but under new rules their Pension Credit will include a housing credit which will replace Housing Benefit.

### Which benefits won't be affected by Universal Credit?

It will NOT include Disability Living Allowance (DLA), Council Tax Reduction, Personal Independence Payment (PIP) or Carers Allowance.



## UNIVERSAL CREDIT

### Claimant commitment

In order to get Universal Credit some claimants will be required to sign a claimant commitment. This sets out your 'responsibilities' and in particular what work-related requirements apply to you. The commitment will also set out any financial penalties for failing to meet these requirements which may result in your payments stopping, for example if you refused a job. You could lose your benefit for up to three years if you repeatedly refuse the offer of a job or fail to attend interviews or apply for jobs.

### Change of circumstances

It is very important that you report any changes in your circumstances promptly as failure to do so could result in a financial penalty of £50.

### How you claim and get paid

- Claims for Universal Credit must be made and managed online.
- Payments will be made once a month in arrears to the household, like a salary would be.
- Housing costs will no longer be paid direct to a landlord (although there will be limited exemptions for vulnerable people).
- You will be responsible for paying your rent to your landlord. You will have to manage your benefit to make sure that you pay the rent on time or you may lose your home.
- If you are having difficulty paying your rent contact your landlord before you get into debt.

### Universal Credit advice

- You will need a bank or building society account, as your Universal Credit payment will be paid into a bank, building society or credit union account. See page 17.
- Set up a monthly direct debit for your rent and other bills so they are always automatically paid on time (as long as you have the money in your account). This will help to take the worry out of budgeting.
- You will need to get online as the government expects most claims for Universal Credit to be made and managed online. See page 18.
- You will need an e-mail address for communication purposes. Changes of address should also be reported by email.

If you are a Southampton City Council tenant and require further advice contact our Information Line 023 8083 4919.





## HELP AND ADVICE

### Finding work and staying in work:

The government's benefit changes are designed to make being in work pay more than getting all your income from benefits. Finding work in today's economic climate can be difficult but help is out there if you need support.

#### Finding work:

There are a number of work clubs operating in the city offering free advice to help you find a job. Each work club operates differently but they will all help you with CV writing, job searches, skills evaluation and advice on how to complete job applications. For an up to date list of work clubs, what help they offer and opening times visit [www.southampton.gov.uk/workclub](http://www.southampton.gov.uk/workclub) or contact **Jobcentre Plus**.

Jobcentre Plus also has a variety of work programmes and training opportunities to help unemployed people back into work. To find out more call **0845 6060 234**.

Jobcentre Plus' Universal Jobmatch website is free to use and allows you to search for jobs and upload your CV for potential employers to view. The service is available at [www.gov.uk/jobs-jobsearch](http://www.gov.uk/jobs-jobsearch).



#### Updating skills and training:

You may also want to improve your skills or qualifications in order to progress in work or get a better job. A list of local courses and training providers can be found at [www.southampton.gov.uk/learning/learningskills](http://www.southampton.gov.uk/learning/learningskills).

Many jobs require some IT skills. If you are a complete beginner or need to brush up on your computer skills then there are courses available (see website above). The Central Library offers computer courses for beginners, for further information call **023 8083 2162**.

Depending on your circumstances you may be entitled to help with childcare costs and/or course fees. Information is available at [www.gov.uk/browse/education/student-finance](http://www.gov.uk/browse/education/student-finance)

#### Claim the benefits you are entitled to:

If you are working and are on a low income have you done a benefit check - are you claiming everything you are entitled to? Below are two online benefit calculators:

[www.turn2us.org.uk](http://www.turn2us.org.uk)

[www.gov.uk/benefits-adviser](http://www.gov.uk/benefits-adviser).

Remember: if you are eligible to claim Working Tax Credit then you will not be subject to the benefit cap.

If you are struggling to keep your job or find a job due to a mild to moderate mental health issue the NHS service Steps 2 Wellbeing may be able to help. For further information call **0800 612 7000** or see [www.steps2wellbeing.co.uk](http://www.steps2wellbeing.co.uk).

## HELP AND ADVICE

### Get a bank account – be prepared for Universal Credit:

Universal Credit will be paid into a bank, building society or credit union account but not a post office card account. So everyone claiming it must have some form of bank account - more about opening an account below. Having an account means you can set up a monthly direct debit for your rent and other bills, so they are automatically paid on time (as long as you have the money in your account). You can usually get discounts on utility bills like telephone, gas and electricity by paying by direct debit, so it should save you money too.

#### What are the alternatives to a normal current account?

Opening a current account with a bank can be difficult if you are on a lower income or you've had poor credit history. Also people might worry about going overdrawn and running up charges. We've listed two alternatives to a current account which allow anyone to open one and don't allow you to go overdrawn but provide easy access to your money and direct debits.

#### A credit union jam jar account

The most important feature of a jam jar bank account is the money-managing feature. The account is usually divided into 'pots' or 'jars' containing money. For example, one pot could be for 'spending', one for 'bills' and perhaps another for 'savings'. You decide how much money goes into each by working out how much you need for your bills and how much is left over.

The advantage of a jam jar account is that you no longer have to think so much about managing your money. You will have the reassurance that when your bills need to be paid you will not have accidentally spent the money you need.

**There are two credit unions in Southampton who offer jam jar accounts:**

#### SOLENT CREDIT UNION

Tel: **023 8178 8375**  
Email: [solentcreditunion@phonecoop.coop](mailto:solentcreditunion@phonecoop.coop)  
[www.solentcreditunion.co.uk](http://www.solentcreditunion.co.uk)

#### UNITED SAVINGS & LOANS

Tel: **023 9282 7980**  
Email: [info@usal.org.uk](mailto:info@usal.org.uk)  
[www.usal.org.uk](http://www.usal.org.uk)

#### A basic bank account

These accounts have most of the features of a current account, such as a card to withdraw cash, and the ability to set up direct debits. They are also available to everyone, including those with previous or existing financial problems. They are designed to be easy to open and easy to manage and are available from most banks and building societies. Some people prefer these kinds of accounts because they do not provide overdraft facilities, so they can't accidentally spend too much and get into debt.

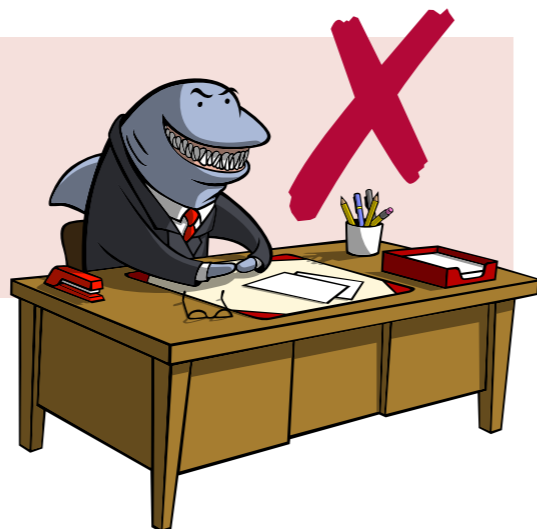
For further information about opening a basic bank account see [www.southampton.gov.uk/welfarerights](http://www.southampton.gov.uk/welfarerights)



## HELP AND ADVICE

### Getting loans and borrowing:

If you need to borrow money - don't be tempted to use loan sharks or payday loans as the interest charged can be very high and loan sharks operate illegally.



Consider joining a credit union as they can usually offer loans at more affordable rates and will only lend what you can afford to pay back. Most credit unions require that you are a member and have been saving with them for at least three months.

There are two credit unions operating in Southampton:

- **SOLENT CREDIT UNION** - 023 8178 8375 [www.solentcreditunion.co.uk](http://www.solentcreditunion.co.uk)
- **UNITED SAVINGS & LOANS** - 023 9282 7980 [www.usal.org.uk](http://www.usal.org.uk)

### Get online – be prepared to apply for benefits online:

When Universal Credit is introduced in the autumn, new claimants will be expected to apply online. If you are worried about going online and haven't got a computer, there are lots of places across Southampton where you can receive free internet access, free help and advice and free or low cost training to get you started.

Consider asking a friend or relative to show you or you could do a beginner's training course. You don't need your own computer or internet access your local library provides both free. A complete list of internet access points in Southampton can be found online at [www.bit.ly/TFdOgr](http://www.bit.ly/TFdOgr).

#### Beginner computer and internet training

If you're looking for a free or low cost computer course then call **0800 77 1234** to be directed to your nearest UK Online Centre or text 'online' and your post code to 80809 (25p + standard charge). Also check for local courses at [www.southampton.gov.uk/learning/learningskills](http://www.southampton.gov.uk/learning/learningskills) or call our library learning centre **023 8083 2162**, Monday (10am – 12noon; 1pm - 3pm) or Wednesday and Friday (10am – 12noon).



Going online is a lot easier than you think and useful in so many ways:

- Save money – many items are cheaper online and price comparison websites can help find the best deals.
- Convenience – get shopping delivered to your door, renew car tax online, or make a doctor's appointment.
- Communication – stay in touch with family and meet new people.
- Learn – learn a new skill or take up a hobby, take online courses right up to degree level.
- Stay ahead – get news almost instantly, find jobs as soon as they are advertised.
- Find work – if you are looking for a job you can post your CV online.

## HELP AND ADVICE

### Know your budget:

Knowing your household budget is really important and will help you to work out what you can afford. It will also tell you if you are at risk of going into debt if your benefit income falls.

Using a simple budget planner (like the one supplied on our back cover or online at [www.moneyadvice.org.uk](http://www.moneyadvice.org.uk)) you can see what you spend against what income you have and if you have enough if your benefits income changes.

When working out your personal budget decide whether you want to plan your budget on a weekly or monthly basis, but don't mix the two.

When you have listed all of your income and outgoings you will need to compare the two figures. If you have more money coming in than you are spending you can probably afford the cost of running your home based on your current circumstances.

If you have less money coming in than things you need to pay for, you will need to make some changes to either increase your income or reduce your spending. You will be at risk of getting into debt or losing your home if you do not do this. It is likely that many people will have to sacrifice something in order to pay their bills.

Have you done a benefit check - are you claiming everything you are entitled to? For online welfare benefit calculators check [www.turn2us.org.uk](http://www.turn2us.org.uk) or [www.gov.uk/benefits-adviser](http://www.gov.uk/benefits-adviser).

Further advice: If you need advice on budgeting or dealing with debt contact:

- Money Advice Service [www.moneyadvice.org.uk](http://www.moneyadvice.org.uk) or **0300 500 5000**
- Council Debt Toolkit [www.southampton.gov.uk/debttoolkit](http://www.southampton.gov.uk/debttoolkit)
- National Debt Line **0808 808 4000**
- Step Change Debt Charity **0800 138 1111**

#### Local advice services

- Welfare Rights and Money Advice **023 8083 2339**
- Council Tenants Information Line **023 8083 4919**
- Southampton Citizens Advice Bureau **023 8022 3659** (to book an appointment)
- Southampton Advice & Representation Centre (SARC) **023 8043 1435**
- No Limits (under 26s only) **023 8022 4224**
- Disability Advice and Information Network (DAIN) **023 8020 2653**

Energy bills: If you are struggling to pay utility bills contact your supplier and ask about social tariffs or ways to reduce your energy bills.

Contact the Home Heat Helpline for information about how to reduce your energy costs [www.homeheathelpline.org.uk](http://www.homeheathelpline.org.uk) or Freephone **0800 33 66 99**



# Budget sheet

Budgeting can be a challenging task, but please don't be put off. The worst thing you can do is to ignore your spending, as this can lead to things spiralling out of control. Be honest and realistic about your spending.

INCOME		
List all income details	Income amount £	State if this is paid weekly/monthly
Your wages or salary (after tax)		
Your partner's wages or salary (after tax)		
Income from benefits / tax credits / pension		
Any other income e.g. child support payments		
<b>Total income =</b>		

GENERAL OUTGOINGS			
Outgoing items	Amount £	Weekly	Monthly
Rent			
Council Tax			
Contents insurance			
Gas			
Electric			
Water			
Housekeeping (food shopping)			
TV licence			
Travel, bus fares, car incl. MOT, tax, insurance, petrol			
Childcare costs			
Meals – school / work			
Clothing			
Cable tv/satellite & broadband			
Phone / mobile			
Prescriptions & dental charges			
Any other expenses e.g. cigarettes, socialising, magazines and newspapers			
<b>Total outgoings =</b>			

ADDITIONAL OUTGOINGS TO CREDITORS		
Type of arrears	Amount owed	Repayment amount
Rent arrears		
Council Tax arrears		
Loans / HP / Car finance		
Credit cards		
Magistrates court fines		
Any other borrowing		
<b>Total creditor outgoings =</b>	£ .	

Total income	£ .	
Total outgoings	£ .	
Total creditor outgoings	£ .	
Now take away all outgoings from income and put the balance.	£ .	This is the money you have left to save for Christmas, holidays, birthdays etc...

Online budget calculators does the maths for you, try [www.moneyadvice.service.org.uk](http://www.moneyadvice.service.org.uk)