EARN MORE. KEEP MORE.

Helping eligible residents to understand how working may affect their rent support- Guidance for Key Workers and Staff supporting residents in Supported Housing and Temporary Accommodation

What you need to know

From 5 October 2026, new earnings rules may allow some people living in supported housing or temporary accommodation to keep more of their Housing Benefit when they work or increase their hours and earnings. Work can be a critical step forward for residents, helping them build skills, increase their confidence and move towards independent living.

These new rules help ensure that residents are rewarded for taking up work or increasing their work and earnings, rather than facing financial barriers to progression.

How to use this guide

Use this guide to support conversations with residents. It does not replace the council's decision on Housing Benefit entitlement. Any issues with should be reported directly to the council's Housing Benefit team.

Benefits calculators

These calculators can help residents explore how starting work or earning more may affect their income and benefits. Results are estimates only; the council makes the final Housing Benefit decision.

- **Turn2us Benefits Calculator**
- **St Mungo's Better off calculator**
- **BHT Sussex 'Getting Ready for Work Calculator'**

Three steps for a guided conversation

1. **LISTEN:** Understand the resident's goals for starting work, increasing their hours or earning more, and address any concerns about rent support.
2. **EXPLAIN:** The new rules are designed to help eligible residents keep more of their wages whilst maintaining rent support through Housing Benefit. There are no limits or rules on how many hours a resident can work.
3. **CHECK:** Use the benefit calculator or seek further advice (where possible) to help eligible residents to understand what earning more may mean for them. Confirm what they need to report and what evidence to provide when requested.

Before the conversation ends, check that residents can:

4. Understand how the new Housing Benefit rules may help eligible residents keep more of their wages when they start work or earn more.
5. Identify which changes they need to report and whether to report them to Universal Credit, the council, or both.

6. Know how to use a benefits calculator to estimate how changes in earnings may affect their benefits, so they can make the best decision for their situation**.**

Universal Credit and Housing Benefit: Understanding how both benefits work

Use this table to help residents understand the difference between Universal Credit and Housing Benefit and where residents should report changes.

UNIVERSAL CREDIT	HOUSING BENEFIT
Universal Credit is paid by DWP to help with living costs. Residents manage their claim through their Universal Credit account and must report relevant changes in earnings. The amount may be reduced as earnings increase.	Housing Benefit is paid by the council to help with eligible rent in supported housing or temporary accommodation. Residents must report relevant changes to their local council. The council assesses entitlement using the resident's circumstances and evidence. The amount may be reduced as earnings increase.

Keyworker conversation prompt:

"Universal Credit and Housing Benefit are different. A change to your Universal Credit does not always mean your rent support will change. You may need to report the change separately to Universal Credit and to the council, which must make its own Housing Benefit decision."

MYTH	FACT
Working more than 16 hours automatically ends my Housing Benefit.	There is no 16-hour cut-off. Entitlement depends on the resident's earnings and circumstances.
Starting work means I will lose my benefit support and could be evicted.	Starting work does not automatically end Housing Benefit or mean a resident will lose their home. Entitlement depends on earnings and circumstances, and residents remain responsible for paying any rent due. Anyone worried about affordability should speak to their keyworker and council promptly.
If a job ends, Housing Benefit automatically returns to the previous amount.	The resident must report the change. The council will reassess their Housing Benefit using their current circumstances.
The new rules guarantee that every resident will be better off.	The effect depends on the resident's earnings and circumstances. Benefit calculator can provide an estimate, but the council makes the Housing Benefit decision.

Reporting changes and managing overpayment risk

Fear of debt can deter residents from work. A clear reporting routine reduces uncertainty and gives the Council the evidence needed to make the correct assessment.

If an overpayment is identified, Keyworkers should:

- Understand the resident's situation and do not advise on liability or recovery.
- Support the resident to contact their council about a Housing Benefit overpayment or DWP about a Universal Credit overpayment.
- Encourage the resident to keep copies of correspondence, evidence previously provided and a record of any action taken**.**

If Housing Benefit decision is delayed

- Help the residents follow up the outstanding decision.
- Explain that ongoing payments may be revised later and agree suitable budgeting or signpost to further specialist support based on the resident's circumstances.
- Follow local procedures to escalate any urgent risks relating to rent, financial hardship or safeguarding.

Frequently asked questions on Housing Benefit changes to help eligible residents keep more of their wages in supported housing and temporary accommodation

These questions explain the changes in simple terms. They also explain how key workers and support workers can help residents.

Q1. Will my Housing Benefit stop if I start work or earn more?
Not automatically. Your Housing Benefit may go down as your wages go up. However, the new rules mean that less of your wages may be counted, so your Housing Benefit may reduce more slowly. The amount you get will depend on your wages and circumstances.

Q2. Do the new rules apply if I already work?
They may do. The rules can apply to eligible residents who are already working, as well as those starting a job or increasing their earnings. The council will apply the rules when calculating Housing Benefit.

Q3. Will I definitely be better off?
The effect will depend on your earnings and personal circumstances. You may receive more Housing Benefit than you would have received under the previous rules, or your Housing Benefit may reduce more slowly as your earnings increase. The change does not mean that everyone will receive a higher payment immediately.

Q4. Do I need to apply?
No. The council will use the new rules and will apply them when calculating your Housing Benefit entitlement.

Q5. Do I still need to report changes?
Yes. Tell your council if your work, wages, rent or household changes. Keep wage slips and respond to requests for information so the council can calculate the correct amount and reduce the risk of underpayments or overpayments.

Q6. Will everyone get more Housing Benefit?
Not everyone will get the same amount. It will depend on their wages, rent, who they live with and other circumstances. The council can explain how the change affects a resident.

Q7. Who can get help from the new rules?
The rules are for working-age people who get Housing Benefit to help pay their rent while living in supported housing or temporary accommodation. If a resident is unsure whether their accommodation qualifies, they should ask their council.

Q8. When do the new rules start?
They start on 5 October 2026. The council will use them for new and existing Housing Benefit claims where they apply.

Q9. Is there a limit on the number of hours I can work?
No. There is no 16-hour limit and no minimum or maximum number of hours for these rules. The number of hours worked and the wages received may affect the amount of Housing Benefit awarded, but there is no rule requiring a resident to stop work at 16 hours.

Q10. Do the rules apply to lone parents?
Yes. The rules can help a lone parent who works, gets Housing Benefit and lives in supported housing or temporary accommodation. The council will check their circumstances.

Q11. How can a keyworker help?
They can help a resident to:
• understand that there is no limit on the number of hours they can work
• understand that their local authority makes decisions about their Housing Benefit award, so it is important that they tell the council about changes to work, wages, rent or household
• gather wage slips or other information the council asks for
• check Housing Benefit letters and ask the council to explain anything that is unclear
• speak to a work coach or benefits adviser before making a major change, if the resident wants more advice.
• avoid giving a definitive estimate unless using an approved calculation or advice service;
• help the resident challenge or query a decision if they believe the new rules have not been applied.

Q12. Where can I get more help?
Speak to your council, keyworker or work coach. They can help you understand the change, report your circumstances and check what it may mean for your Housing Benefit.