HOUSING BENEFIT WORK INCENTIVE

Information for Housing Providers

Supporting residents to move in to work and increase their earnings

WHAT IS CHANGING?

From 5 October 2026, new earned income disregards will apply to eligible working-age residents living in Supported Housing and Temporary Accommodation. The change will apply automatically and is designed to help eligible residents keep more of their earnings when they move from receiving Universal Credit and Housing Benefit to Housing Benefit only as their earnings increase.

Eligible residents may be able to keep more of what they earn when they move into work or increase their earnings.

WHY IS THE GOVERNMENT MAKING THIS CHANGE?

The policy has been introduced to improve work incentives and help address the financial cliff-edge that could arise for some residents as earnings increase. It is intended to support employment progression, increase earnings, and promote greater financial independence.

Reduce Work Disincentives	Support Employment Progression	Support Independence
Helping ensure residents are better rewarded for work.	**Encouraging work, more hours and higher earnings.**	**Promoting financial resilience & positive tenancy outcomes.**

WHY THIS MATTERS FOR HOUSING PROVIDERS

Housing providers are trusted partners in helping residents build independence and sustain tenancies. You do not need to understand the detailed Housing Benefit rules. Your role is to promote awareness, encourage informed decisions, and signpost to reliable sources of information and support.

HOW HOUSING PROVIDERS CAN HELP

Promote Awareness ***Ensure staff understand the purpose of the change.***	**Encourage Conversations** ***Support positive discussions about work and progression.***
Connect Residents to Support ***Signpost employment and skills services.***	**Support Positive Outcomes** *Help residents towards greater independence.*

WHAT THIS LOOKS LIKE IN PRACTICE

1. **Resident moving into work**: the new disregard may help eligible residents keep more of their earnings.
2. **Resident increasing hours**: the policy is intended to reduce financial disincentives as earnings rise.
3. **Resident progressing in employment**: residents should be better rewarded for increasing earnings.

KEY MESSAGES FOR STAFF

4. The change is automatic for eligible residents.
5. There is no minimum-hours requirement.
6. Reporting responsibilities remain the same.
7. Housing Benefit awards will continue to be calculated based on an individual's rent and personal circumstances.

EARN MORE. KEEP MORE.

Housing providers can play an important role by raising awareness, encouraging positive conversations about employment and supporting residents to access the help they need.