

RECOVERY OF AN OVERPAYMENT FROM ON-GOING BENEFIT LANDLORD INFORMATION LEAFLET – APRIL 2025

If your tenant has been overpaid housing benefit and a deduction from on-going benefit is being made from your direct payments, you will previously have been sent details confirming the method of recovery and the amount.

Deduction from on-going benefit

Rules prescribe a maximum deduction that can be made from ongoing benefit.

This relates to **Housing Benefit only** there is no effect to Council Tax Support. Any new overpayment identified, or any overpayment already identified, but not calculated, should be calculated in accordance with the provisions of these Regulations.

Rates of deduction for 2025/26

The two rates of recovery are: Standard maximum rate of recovery from continuing benefit **£13.95** per week.
Maximum rate of recovery where the customer has been found guilty of an offence, admitted an offence after caution, or agreed to pay an administration penalty **£23.25** per week.



Please note:

Where there is a disregard given in respect of income or earnings, up to half the disregarded amount may be added to the recovery rate, regardless of which rate is to be used.

Earnings disregards

Where the disability premium has been awarded	£20.00
Where the carer premium has been awarded	£20.00
Specified employment	£20.00
Lone parent	£25.00
Where the customer has a partner	£10.00
Single customer	£ 5.00

Example A - a recoverable overpayment has occurred in a non-fraud case. A single customer's earnings are subject to a £5.00 disregard. The amount that may be deducted is $£13.95 + £2.50 = £16.45$ per week (50% of the £5.00 earnings disregard).

Example B - a recoverable overpayment has occurred in a fraud case. A customer who has been awarded the disability premium has their earnings subject to a £20.00 disregard. The amount that may be deducted is $£23.25 + £10.00 = £33.25$ per week (50% of the £20.00 earnings disregard).

Example C - a recoverable overpayment has occurred in a non-fraud case. A lone parent's earnings are subject to a £25.00 disregard. The amount that may be deducted is $£13.95 + £12.50 = £26.45$ per week (50% of the £25.00 earnings disregard).

Minimum level of housing benefit payable

The Local Authority must leave at least 50p payable per week in all cases.

If you have any further enquiries please visit the Customer Service Centre, Town Hall, Dalton Square, Lancaster LA1 1PJ or Customer Service Centre, Town Hall, Marine Road East, Morecambe, LA4 5AF or telephone (01524) 582000 (Option 6), (Email: benefits@lancaster.gov.uk).