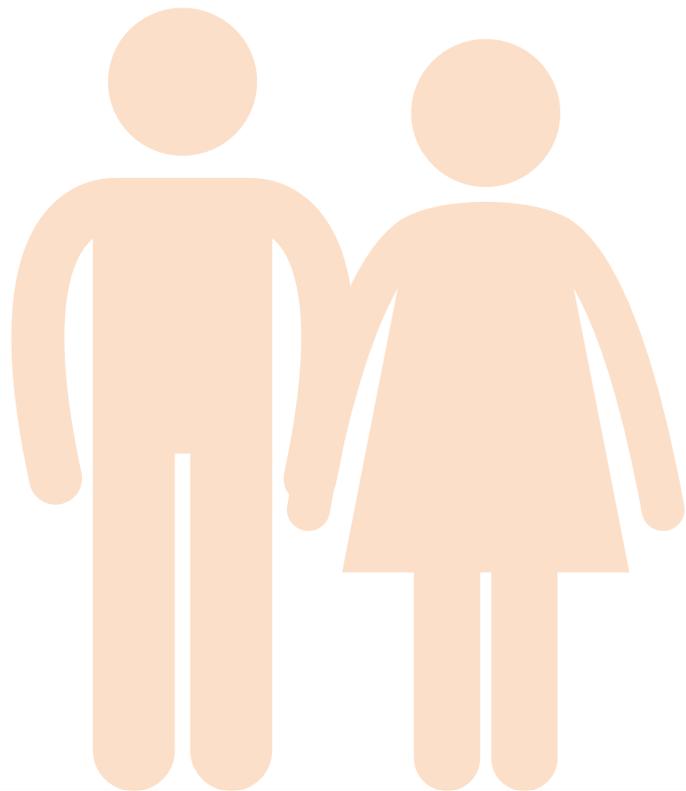


Fact Sheet

Taking in a Lodger

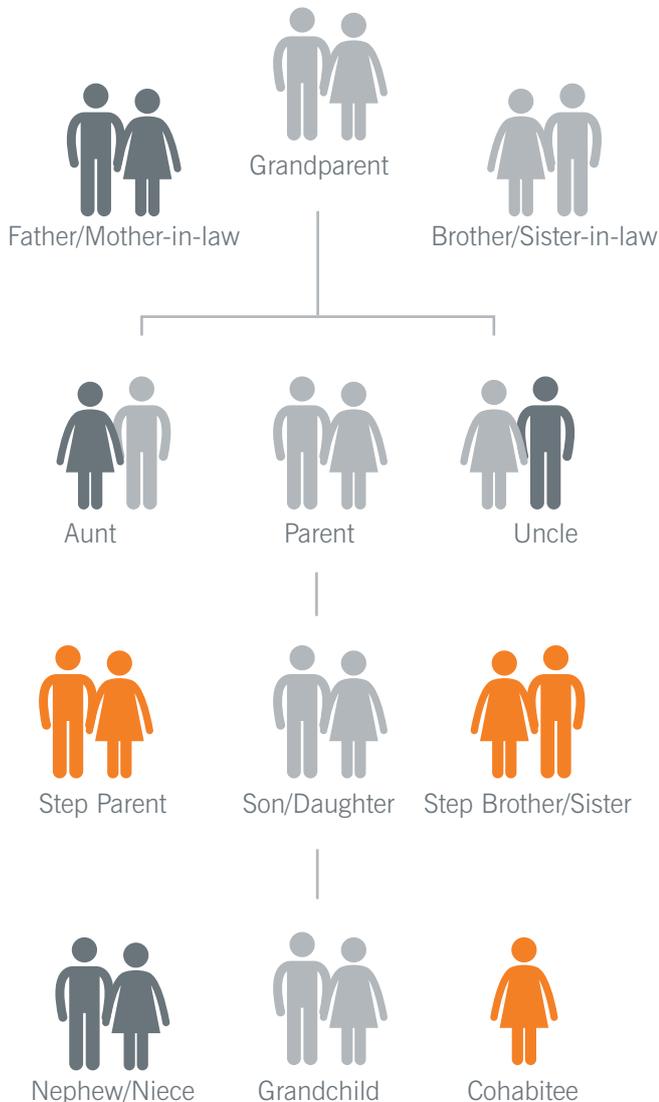
If you have a spare bedroom you may want to increase your income by taking in a lodger.

This fact sheet explains your rights and responsibilities under your tenancy agreement and provides useful information to consider before taking in a lodger.



What is a lodger?

A lodger is someone who rents a room in your home and shares your facilities. The lodger does not have exclusive possession of any part of the property. Family members are NOT considered to be lodgers. A family member will be defined by your relationship and includes:



Should you allow another family member to stay in your home they will stay as a member of your household and you must ensure you are not overcrowding your property by doing so.

Please advise Gentoo of any changes to the household composition. We recommend that you take independent advice as this may effect both you and your families future benefit entitlements.

A lodger is not the same as a sub-let tenant, who has different rights. For example, a lodger does not have the right to put a lock on their bedroom door.

If a tenant wished to sub-let part of their property they would require written consent from Gentoo. For further information on sub-letting please speak to your Neighbourhood Coordinator.

What do I need to do if I want to take in a lodger?

You MUST inform Gentoo, as your Tenancy Agreement states that tenants have the right to take in lodgers, however you MUST NOT create overcrowding.

Did you know?

- A lodger will not have any security of tenure.
- You are responsible for the conduct of your lodger in accordance with your tenancy agreement see ('your responsibility for others').
- The lodger will stay at your home as a member of the household.
- You are recommended to take independent advice on how income from a lodger could affect your benefits. Please ensure you declare any income from taking in a lodger to Department of Works and Pensions, HMRC and your Local Authority.

Please let Gentoo know if your circumstances change.

What will I need to provide for my lodger?

You must provide your lodger with a furnished room, and use of other communal areas such as the kitchen and bathroom. It is up to you to decide whether you wish to provide additional services (meals, laundry, cleaning) as part of your agreement with the lodger.

How much should I charge a lodger?

What you charge your lodger will depend on what facilities you are providing for them. To give yourself an idea you may wish to refer to websites such as www.SpareRoom.co.uk and look up what other people in your area charge for similar accommodation.

Can I evict my lodger if things don't work out or I need the room back?

If you wish to evict your lodger you must provide them with a reasonable amount of notice.

You will be responsible for legally evicting your lodger if you want them to leave. This may mean that you need to take legal advice and you may have to take Court proceedings to legally evict them. When you take in a lodger it is advisable to write up a licence that you both sign and agree to the conditions of.

Will I have to pay income tax on the income I receive from my lodger?

If the income from letting a room exceeds a certain amount known as a threshold, then you may also be liable to pay income tax. You are advised to obtain independent advice about the tax implications for you in doing so.

Will my council tax increase?

If you claim single occupants discount for Council Tax you may no longer be eligible for this if you take in a lodger. You are advised to obtain independent advice about the council tax implications.

Will having a lodger affect my Home Insurance?

If you have a home insurance policy, you must contact your provider to make sure you are still covered and inform your lodger if they require their own insurance.

How will having a lodger affect my benefits?

Before you take in a lodger you will need to inform your local benefits agency **immediately**. Taking in a lodger may affect the amount of benefit that you are entitled to. If you don't tell them, you may end up having to repay an overpayment or be prosecuted for fraud

How will taking in a lodger affect my household utility bills?

An extra person in the household may increase the amount you spend on things like gas, electricity and water so this is something you need to consider.

Should I do a background check on my lodger?

It is a good idea to do a background check on your lodger for your own safety and security as they will be sharing your home. For example, you may wish to get a reference from their previous landlord. You may also wish to carry out checks to see if they can afford their rent. The extent of the checks you carry out may differ from one person to the next, and it is for you to decide what may be appropriate.

Can my lodger continue living at my property if my tenancy ends?

No, the lodger can only continue to live at your property whilst you have a tenancy there.

How will the money I receive from my lodgers affect my other benefits before and after Universal Credit?

Before Universal Credit - If you have a lodger, their bedroom will be classed as occupied. As long as all the bedrooms in your property are occupied on a permanent basis you will not be classed as under occupying your property and you will not be affected by the charge.

However, the rent you receive from the lodger may affect your benefit entitlements. Note: At present the first £20 a week of rent received from lodgers is disregarded when calculating housing benefit entitlement.

After Universal Credit, tenants will be able to keep income from lodgers and retain full entitlement to benefit. The room let to a lodger will, however, be classed as a spare room and fall under the under occupation or bedroom tax as described below. However, the rent you receive from the lodger will help you pay the charge and any excess rent you receive over and above the charge will not reduce your benefit entitlement.

The Bedroom Tax

The Government has reduced the amount of housing benefit paid to people of 'working age' who have 'spare' bedrooms in their homes.

If you under-occupy your home by one bedroom you will lose 14% of your total eligible rent and 25% if you under occupy by two or more bedrooms.

Rather than pay the bedroom tax, one option that you may wish to consider is taking in a lodger.

If you under occupy your home by one bedroom you will lose



14%

of your total eligible rent

If you under occupy your home by two bedrooms you will lose



25%

of your total eligible rent

Useful Links

 england.shelter.org.uk  sparerroom.co.uk

 lodgers.com  dwp.gov.uk

 adviceguide.org.uk



Information correct at time of going to print.

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