

Effects On Your Finances

Tax: You are given a tax free amount of **£7500** through the governments 'Rent a Room Scheme.' Anything you earn over that amount through Supported Lodgings **must** be declared as additional income to the tax office.

If you do not earn enough to take you over the threshold designated by your tax code then you still will not pay tax on it. But if this takes you over the threshold or you are already over the threshold through other income then you will pay tax on the additional income.

For example: If you earn £8750 from Supported Lodgings in a tax year you would need to declare £1250 as additional income. For specific advice speak to the Inland Revenue (0845 3021437).

Tax Credits: When filling in your form you need to declare everything you earn over the tax threshold of £7500 in the tax year. This counts as additional income on the form.

For example: If you earn £8000 in a tax year this would add £500 to your income for Tax Credit purposes.

Use this form to check what effect it may have on your Credits:

<http://www.taxcredits.inlandrevenue.gov.uk/Qualify/DIQHousehold.aspx>

Benefits: The benefit system is extremely complex and the effect income will have on any benefits you receive will vary from person to person. YMCA can give you some informal advice, or find out specific information for you but it is best to speak to the appropriate department for details.

Council Tax: There will only be an effect on your council tax if you already have a discount **AND** the young person is aged 18 or over **AND** they are not in full time education. If your council tax is effected it is your responsibility to pay the difference but we would ask the young person to contribute towards the difference.

Keeping the house safe: You will be expected to provide a Gas Safety Record every 12 months. This usually costs about £50 but may be more if you have gas fires. You may be asked to provide an Electrical Certificate which costs about £140 but this will be a one off and not needed annually.

Car Insurance: Hosts should ensure that they have correct business insurance on their car before transporting young people on the project.