

HOUSING BENEFIT

Being independent has always been important to Maria H. Which is why she decided not to accept her daughter's offer to move in with her family. "I'll stay in my flat as long as I can take care of myself," the 80-year-old explains in a friendly but resolute tone. Mrs. H. can also manage alone from a financial point of view - with the help of housing benefit. She receives a pension of some 563 euros. She took care of her elderly parents for years after the war and did not have a regular job as a result. In those days, you did not receive credit toward your pension for time spent providing nursing care for relatives. Mrs. H. had been a teacher but later was unable to find a position when she wanted to go back to teaching. As a result, she worked in the canteen at a large company until her retirement 17 years ago.

It was then that she was suddenly faced with financial problems: How was she to pay the 250 euros' rent for her two-room flat? Friends suggested that she apply for housing benefit from the city council. Mrs. H. took her friends' advice and has received rent support ever since. Although she has to make an application every year, this doesn't present a problem because her son-in-law helps her fill out the necessary form.

Good housing is expensive - too expensive for some people. Which is why there is housing benefit (Wohngeld), an allowance that the state grants to help cover the cost of housing. Tenants as well as homeowners can receive housing benefit if their rent or mortgage payments exceed their financial means. It is granted to both Germans and foreigners who live in the Federal Republic, and does not differentiate between types of housing. In other words, it does not matter whether your home is old or new, or whether it was built with the help of government subsidies or tax concessions or was entirely privately financed.

Housing benefit is called a rent support (Mietzuschuss) when it is granted to tenants, and mortgage and home upkeep support (Lastenzuschuss) when granted to homeowners.

Benefits and conditions

Rent support is available to people who:

- Rent a flat or a room
- Own a flat in a co-operative or a housing trust
- Live in a home
- Have been granted a right of use or a permanent dwelling right equivalent to a tenancy
- Own a multi-unit dwelling (with three or more flats), commercial building or business establishment, provided they also live in it
- Own a one or two-family house which they live in but is used primarily as a place of business
- Own a full-time farming operation where the living quarters are not separate from the farm

Mortgage and home upkeep support is available to people who possess one of the following:

- An owner-occupied house or flat
- A small housing estate
- A part-time farming operation
- A permanent dwelling right equivalent to ownership
- A heritable right to build, or a claim to be transferred title in a building or dwelling, or a claim to be

transferred or granted a heritable right to build

◆ Housing benefit reform with effect from 1 January 2001

Ten years after the last housing-benefit reform, it was a core housing and social policy concern of the Federal Government to bring housing benefit into line with changing rent and income levels. The housing-benefit reform in force since 1 January 2001 has introduced significant improvements in benefits. From 1 January 2002, a nationwide rent level classification applies for all German municipalities with more than 10,000 inhabitants and for the remaining administrative districts.

◆ Legal entitlement

Housing benefit is not a form of government charity. Anyone who is able to claim housing benefit is also legally entitled to it.

◆ Eligibility criteria

Several factors play a role in determining whether you receive housing benefit and the amount you receive. They include:

- The number of family members in your household (head of the household, spouse, parents, children - including adopted and foster children - siblings, uncles, aunts, in-laws and other relatives listed in the applicable legislation)
- Total family income
- The amount of rent or mortgage payment that qualifies for support. However, a ceiling applies to the amount of rent or mortgage payments that can be taken into account. If you live in a residential home or old people's home, the amount of rent is assumed from 1 January 2001 to be the amount listed in the official table of maximum rents.

Important: Family members who are temporarily not living at home such as when they are in hospital, undergoing military or civil service or studying away from home are still considered members of your household.

From 1 January 2001, the assessment of incomes for the processing of housing benefit applications has been brought in line with income assessment for income-tax purposes. The basis of assessment is the applicant's taxable positive income as defined in section 2 paragraphs 1 and 2 of the Income Tax Act (Einkommensteuergesetz), though various tax-free sources of income are additionally allowed for.

The concept of total income has now replaced family income as the basis of assessment.

Total monthly income must not exceed a specific maximum amount. The maximum amount depends on the number of people belonging to the household. The table entitled Income Limits for Housing Benefits shows the maximum amounts for each size of household in 2002.

◆ Calculation of total income

The new total income figure is the sum total annual income of all family members belonging to the household, minus certain deductions and exempt amounts. Applicants must provide proof of the income figures they state.

The annual income figure used is the annual income, as anticipated at the time the application is made, during the period for which housing benefit is to be granted. The income earned in the twelve months preceding the application can be assumed as the anticipated figure.

What you have to do

◆ Make an application

To receive housing benefit, you have to submit an application to the competent housing benefit office at your city or district (Kreisverwaltung) government and produce proof of eligibility.

As a rule, the application must be made by the head of household. As a rule, people on training or serving an apprenticeship are not eligible to apply.

◆ The entitlement period

Housing benefit is usually granted for 12 months at a time. It may however run for a shorter or longer period. When you decide to apply, please remember that housing benefit is paid beginning with the month your application is received.

Should you continue to need housing benefit after your entitlement period has ended, you will have to reapply. If possible, you should submit your application two months in advance to avoid a possible interruption in payments.

◆ Special rent support

If you receive social assistance payments or benefits under the war victims' relief scheme, you have been exempt from having to submit an

application since 1 April 1991. Instead, from 1 January 2001, the agency that pays your social assistance or any benefits you receive under the war victims' relief scheme automatically includes special rent support together with the other benefits it pays to you. Your benefits are recalculated so that this arrangement has no effect on the total amount of benefits to which you are entitled.

The law

The underlying legislation can be found in the amended Housing Benefits Act and the Housing Benefits Ordinance, which came into force on 1 January 2002.

Information

Your local housing benefit office is required to inform you about your rights and obligations under the Housing Benefits Act.

For more information on the new Housing Benefits Act as of 1 January 2002 please visit the Ministry of Transport, Building and Housing web www.bmvbw.de

INCOME LIMITS FOR HOUSING BENEFITS AS OF 1 JANUARY 2002

Number of family members in household	Western and Eastern Germany					
	Monthly total income limits in euros in accordance with the housing benefit formula in communities with rent level I-VI, for housing available for occupancy since 31 December 1991					
	I	II	III	IV	V	VI
1	750	760	770	800	810	830
2	1 010	1 040	1 060	1 090	1 110	1 140
3	1 270	1 290	1 320	1 340	1 370	1 390
4	1 670	1 700	1 730	1 770	1 800	1 830
5	1 910	1 960	1 980	2 030	2 060	2 100