

Appendix A



Bracknell Forest Local Council Tax Benefit Scheme (BFLCTBS)

Introduction

From the 1 April 2013 the national Council Tax Benefit will end. Councils are required to set up a local scheme to provide help to households in paying their Council Tax bill.

The BFLCTBS is a local means tested scheme to provide financial support to households by reducing the amount of Council Tax they will have to pay to the Council. The Government has decided that under the local scheme pensioners should receive the same level of support as they received under the old national Council Tax Benefit scheme.

Councils are required to provide the financial support to households based on the classes their circumstances fall into. Government has decided the groups for pensioners and the Council has decided the other groups who will receive help towards their Council Tax bill.

The first part of this scheme sets out the classes of people who will receive help towards their Council Tax bill under the BFCTBS and the second part explains how to apply for that help and how the scheme will be administered.

1. **The Bracknell Forest Council Tax Benefit Scheme for pensioners**

(Persons who have reached the age at which pension credit can be claimed)

The Government has created three classes and the Council will decide which class each applicant is in. The class will determine the level of Council Tax Benefit that can be provided.

1.1 **Class A: pensioners whose income is less than their Living Allowance**

To obtain support the person must:

- a) Have attained the qualifying age for State Pension Credit;
- b) Not be somebody with a partner of working age in receipt of Income Support, income-based Jobseeker's Allowance or income-based Employment & Support Allowance;
- c) Be liable to pay Council Tax in respect of a dwelling in which they are solely or mainly resident;
- d) Not have capital savings above £16,000;
- e) Not fall within a class of person not entitled to a reduction under this scheme;
- f) Be a person in respect of who a maximum Council Tax support amount can be calculated;
- g) Must have assessed income less than or equal to the set living allowances (applicable amounts) set by Central Government; and
- h) Have made a valid application for the support.

The class also includes persons who have successfully claimed the guarantee credit element of State Pension Credit.

1.2 **Class B: pensioners whose income is greater than their Living Allowance**

To obtain support the person must:

- a) Have attained the qualifying age for State Pension Credit;
- b) Not be somebody with a partner of working age in receipt of Income Support, income-based Jobseeker's Allowance or income-based Employment & Support Allowance;
- c) Be liable to pay Council Tax in respect of a dwelling in which he is solely or mainly resident;
- d) Not have capital savings above £16,000;
- e) Not fall within a class of person not entitled to a reduction under this scheme;
- f) Be somebody in respect of whom a maximum Council Tax support amount can be calculated;
- g) Have made a valid application for the support; and
- h) Have assessed income above the set living allowances (applicable amounts) set by Central Government.

1.3 **Class C: alternative maximum Council Tax reduction (second adult rebate)**

To obtain support a person must:

- a) Have attained the qualifying age for State Pension Credit;
- b) Not be somebody with a partner of working age in receipt of Income Support, income-based Jobseeker's Allowance or income-based Employment & Support Allowance;
- c) Be liable to pay Council Tax in respect of a dwelling which they are solely or mainly resident;
- d) Not fall within a class of person not entitled to a reduction under this scheme;

- e) Be somebody in respect of whom a maximum Council Tax support amount can be calculated;
- f) Have made a valid application for the support;
- g) Be somebody who has at least one second adult living with them who is not his / her partner, not somebody who pays rent, and who is on a prescribed low wage and / or prescribed benefit, as set out by Central Government.

1.4 **What Council Tax Benefit will be payable to Pension Age persons?**

If a person matches the criteria in Class A, including that their income is less than or equal to their living allowance (applicable amount) that person qualifies for 100% reduction on their Council Tax liability, (net of any Council Tax discounts, such as single person discount), adjusted down for any non-dependant deductions. This also applies to a person in receipt of the guarantee credit element of State Pension Credit from the Department for Work and Pensions (Pensions Service).

If a person matches the criteria in Class B, it will mean the person's income is greater than their applicable amount (living allowance). Twenty per cent of the difference between the two will be subtracted from this individual's Council Tax liability (net of any Council Tax discounts, such as single person discount), adjusted down for any non-dependant deductions.

Council Tax Support for a person in Class C may be awarded in respect of a second adult sharing the household who would normally be expected to contribute towards the Council Tax bill, but who cannot afford to do so, based on their low income or on prescribed benefits. This reduction will equate to the *second adult rebate* available under the Council Tax Benefit scheme and may be awarded at 100%, 25%, 15% or 7.5% of the Council Tax liability, depending on individual circumstances.

2. The Bracknell Forest Council Tax Benefit Scheme for working age people.

The Council has decided there will be two classes of working age people who will be eligible for help towards their Council Tax bill. The level of help towards the Council Tax bill will depend upon the class that people fall within.

2.1 **Class A: people whose income is less than or equal to their living allowance**

To receive help towards their Council Tax bill the person or their partner must:

- a) Have not attained the qualifying age for State Pension Credit; or
- b) Has attained the qualifying age for State Pension Credit if the claimant, and Allowance or on an income-related Employment & Support Allowance;
- c) Be liable to pay Council Tax in respect of a dwelling in which he is solely or mainly resident;
- d) Not have capital savings above £16,000;
- e) Be a person whose income is **less** than or **equal to** their living allowance (applicable amount) or the claimant or partner is in receipt of Income Support, Jobseekers Allowance (income based) or Employment & Support Allowance (income related); and
- f) Not fall within a class of person not entitled to a reduction under this scheme;
- g) Be a person in respect of whom a maximum Council Tax support amount can be calculated;
- h) Have made a valid claim for support.

2.2 **Class B: people whose income is more than their living allowance**

To receive help towards their Council Tax bill the person or their partner must:

- a) Have not attained the qualifying age for State Pension Credit;
- b) Be liable to pay council Tax in respect of a dwelling in which they are solely or mainly resident;
- c) Be somebody in respect of whom a maximum Council Tax support amount can be calculated;
- d) Not fall within a class of person not entitled to a reduction under this scheme;
- e) Not have capital savings above £16,000;
- f) Be a person whose income is **more** than their living allowance (applicable amount);
- g) Have made a valid claim for support.

2.3 **What Local Council Tax Benefit will be paid to a working age person?**

If a person matches the criteria in Class A including their income being equal to or less than their living allowance (applicable amount) that person will qualify for 91.5% support of their Council Tax liability any deductions for non-dependents in their household. This also applies if a person is in receipt of Income Support, an income based Jobseekers Allowance or an income related employment and support allowance or the equivalent payments contained in a universal credit.

A person who matches Class B will have income greater than their living allowance. People in Class B will have 21% of the difference between their income and the living allowance subtracted from the maximum help they could receive for their Council Tax Bill minus and deductions for non-dependents.

2.4 **Protection for certain claimants**

Where the claimant or partner is in receipt of:

- War Disablement Pension;
- War Widows Pension or
- War Widows Disablement Pension.

The income from these sources will be 100% disregarded when calculating income.

3. How the Bracknell Forest Local Council Tax Benefit works

3.1 Who can claim Local Council Tax Benefit?

If you have to pay Council Tax you may be able to get Local Council Tax Benefit from the 1 April 2013.

We will only provide you with Local Council Tax Benefit if:

- You have a right to reside in and are habitually resident in the United Kingdom;
- You have refugee status, humanitarian protection or exceptional leave to remain.

3.2 How much Local Council Tax Benefit can I get?

The Local Council Tax Benefit you receive will depend upon:

- How much Council Tax you have to pay;
- Whether you are in the Pension Credit Age Scheme or Working Age Scheme;
- Who lives with you and their circumstances.

3.3 How is the maximum Local Council Tax Benefit calculated for Pension Credit Age Scheme?

For the Pension Credit Age Scheme the maximum Council Tax Support is set by the Government as up to 100% of the Council Tax you are liable to pay less any non dependant deductions (see non dependant deductions later in this document). If you are already getting or have claimed the guarantee credit element of State Pension Credit the Council will grant maximum Council Tax Support,

3.4 How is the maximum Local Council Tax Benefit calculated for working age scheme?

For the Working Age Scheme the maximum Local Council Tax Benefit is set at 91.5% of your Council Tax liability less any deduction for non-dependents who live in your household. If you are already getting or have claimed Income Support, Jobseekers Allowance or Employment Support Allowance then you will receive the maximum Local Council Tax Benefit minus any non-dependent deductions.

3.5 Protection for certain claimants

Where a claimant or partner is in receipt of War Disablement Pension, War Widows Pension, or War Widows Disablement Pension then that income will be disregarded when calculating income for Local Council Tax Benefit .

3.6 What is the minimum amount of Local Council Tax Benefit that will be paid?

The minimum Council Tax Benefit that can be paid is £0.50 a week. You will not receive Local Council Tax Benefit unless you are entitled to at least that amount.

3.7 **Extended payments**

You or your partner or civil partner will be entitled to extended payments of up to four weeks of Local Council Tax Benefit if your benefits stop because you have gone back to work, increased your hours or earn more money. This will only apply if you have received one of the following benefits before a change has taken place:

- Jobseekers Allowance;
- Income Support;
- Income Related Employment and Support Allowance;
- Or a combination of these benefits continuously for at least 26 weeks;
- Or Incapacity Benefit;
- Severe Disablement Allowance;
- Contributory Employment and Support Allowance.

If your Income Support, income-based Jobseeker's Allowance or income-related Employment & Support Allowance or Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance stops because of work, then extended Payments of Council Tax Support are available. The payment is an extra four weeks of support to help pay towards your Council Tax when certain other benefits stop because you are going back to work, working more hours or earning more money.

You will be entitled to an Extended Payment if you or your partner, or civil partner (and they remain a partner throughout the claim) have stopped getting one of the benefits mentioned below because one of you is expected to do one of the following for five weeks or more:

- Return to work full time;
- Work more hours;
- Earn more money;

and you have been getting one of the following benefits:

- Jobseeker's Allowance, Income Support, or income-related Employment & Support Allowance or a combination of these benefits continuously for at least 26 weeks;

or

- Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance continuously for at least 26 weeks;

But if immediately before starting your job or increasing your hours your Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance stopped and you received income – based on Jobseekers Allowance, Income Support, or income-related Employment & Support Allowance, you will **not** qualify for an Extended Payment.

3.8 **What to do if you do not get the guaranteed credit element of the state Pension Credit, Income Support, income based Jobseekers Allowance or income related Employment and Support Allowance?**

Even if you do not get the guarantee credit element of State Pension Credit, Income Support, income-based JSA or income-related Employment & Support Allowance you

may still get some help with paying your Council Tax. This is worked out by comparing the maximum Council Tax Support you could get with:

- Your needs (called your living allowance or applicable amounts); and
- Your income and capital resources.

3.9 **Capital**

Savings and investments may have an impact on the amount of Local Council Tax Benefit you are entitled to. Capital will only affect your income if you are working age and have more than £6,000. If you are of pension age and have capital of £10,000 your income may be affected. If you are of pension age and have capital of more than £16,000 you will not normally receive Local Council Tax Benefit unless you are aged 60 or over and are in receipt of guarantee element of the State Pension Credit.

3.10 **Absence from home**

You will be entitled to receive Local Council Tax Benefit if you are absent from your home for short periods but intend to return.

If you are absent from your home you can receive Local Council Tax Support for up to 52 weeks as long as:

- You intend to return home;
- While you are away your home will not be sublet; or
- You are in hospital;
- You are held in remand.

3.11 **How to claim Local Council Tax Benefit?**

Local Council Tax Benefit can be claimed by attending an interview and the Council's offices are Time Square, by applying on line at xxxx or by being interviewed by a Council officer at a convenient location such as your home or nearby offices.

All applications for Local Council Tax Benefit will have to be supported by the necessary evidence of your circumstances and the circumstances of your partner.

If you are married, in a civil partnership, in a partnership and your partner lives with you only one person can claim for Local Council Tax Benefit.

If the Council seeks additional information to support your claim for Local Council Tax Benefit you must provide it within 28 days of a request being made. If you do not provide the additional information that has been requested your claim for local Council Tax Support will be cancelled.

3.12 **When does the claim for Local Council Tax Benefit start from?**

Your claim for Local Council Tax Benefit will start from the date you contact the Council as long as your claim is completed within one month from the first point of contact.

Your claim can be backdated if you can show continuous good cause why you did not make a claim earlier. If you are of working age your claim can be backdated for up to 3 months as long as there was continuous good cause why you were unable to make the

claim during the backdate period. If you are of pension age the same criteria apply but the maximum back date is for 3 months.

3.13 **When does Local Council Tax Benefit start?**

When you first become liable for Council Tax you can make a claim up to 13 weeks in advance of when you will become liable or the week your liability starts. If you make a claim later than that your Local Council Tax Benefit will start from the next Monday after you make your claim.

If you are already paying Council Tax but claim Local Council Tax Benefit as your income has changed your Local Council Tax Benefit will be paid the Monday after your claim.

If you acquire a partner who moves in with you, you and your partner will be jointly and severally liable for the Council Tax. The same rules apply to you and your partner for when Local Council Tax Benefit starts as if you were single. The Council will re-assess your entitlement based on the income and capital of you and your partner from the Monday after the day you and your partner became a couple.

3.14 **When does Local Council Tax Benefit end?**

If you move home and your liability to pay Council Tax ends your Local Council Tax Benefit will end at the same time. If your circumstances change and you become exempt from paying Council Tax the your Local Council Tax Benefit will end. If your circumstances change as your income increases or applicable amount increases and you no longer qualify for Local Council Tax Benefit the benefit will stop from the beginning of the next support week.

If you stop getting guarantee credit element of the State Pension Credit, Income Support, income based Jobseekers Allowance or income related Employment and Support Allowance you should tell the Council as soon as possible as your Local Council Tax Benefit may stop or you may receive a different amount.

3.15 **People who live with you – Non dependants**

People who normally share your accommodation but are not dependent on you for financial support are known as non-dependants. Others who live with you such as a family and any children you have fostered do not count as non-dependants.

3.16 **Non – dependent deductions**

Deductions will be made from your Local Council Tax Benefit for non-dependents over the age of 18 who live with you. The following deductions will be made:

Non-dependant	Rate £ per week
Student	0.00
In receipt of Income Support / Job Seekers Allowance / Employment Support Allowance	0.00
Not in remunerative work not on JSA / ESA/ IS	3.30
In remunerative work maximum up to age 18	3.30
Up to £183 a week income	3.30
Up to £316 a week income	6.55
Up to £394 a week income	8.25
More than £394 a week	9.90

A deduction will not be made from your Local Council Tax Benefit if:

- The non-dependants normal home is somewhere else; or
- You, or your partner, are registered blind or treated as blind; or
- You, or your partner, are receiving the care component of Disability Living Allowance or Attendance Allowance in respect of yourself or your partner; or
- The non-dependant is receiving the guarantee credit element of State Pension Credit, Income Support or income-based JSA or income-related Employment & Support Allowance; or
- The non-dependant is a prisoner; or
- The non-dependant is severely mentally impaired; or
- The non-dependant is over 18 but Child Benefit is still payable for them; or
- The non-dependant is a student nurse or apprentice or on Youth Training; or
- The non-dependant has been a patient in hospital for 54 weeks or more; or
- The non-dependant is living in a residential care or nursing home; or
- The non-dependant is a care worker; or
- The non-dependant is a resident of a hostel or night shelter for the homeless; or
- The non-dependant is a full-time student (even if they work full-time in the summer vacation).

A deduction may be delayed for 26 weeks if you or your partner are aged 65 or more and a non-dependant moves into your home, or the non-dependants' circumstances change to increase the deduction.

3.17 **What if I do not receive Pension Credit Guarantee, Income Support, income based Jobseekers Allowance or income related Employment and Support Allowance?**

If you do not get Pension Credit Guarantee, Income Support, income based Jobseekers Allowance or income related Employment and Support Allowance you can still apply for Local Council Tax Benefit.

The Council will work out your maximum Local Council Tax Benefit and then compare your needs – the applicable amount or living allowance as determined by the Government – with your resources both income and capital.

3.18 **Income less than or equal to Living Allowance.**

If your income is less than or equal to your defined living allowance you will receive 91.5% of the Council Tax liability for minus any deductions for non-dependants or

single person discount. If you are a pensioner you will receive the Local Council Tax Benefit for your Council Tax liability.

3.19 **Income greater than Living Allowance or applicable amount**

If your income is greater than the defined Living Allowance the Council Tax Benefit will be reduced. The reduction is 21% of the difference between your income and Living Allowance. This difference is taken away from the maximum Local Council Tax Benefit you could get adjusted for any non-dependants.

4. **Living Allowances or applicable amounts**

4.1 The living allowance or applicable amount represents the needs of you and your family if you have one. The larger your family the larger you're applicable amount. The applicable amount is made up of three parts:

- A personal allowance; and
- Personal allowances for children in your family; and
- Premiums.

4.2 **Personal allowance**

Your applicable amount always includes a personal allowance. Different amounts apply according to your age and whether you have a partner.

4.3 **Personal allowances for children**

If you are looking after children (other than foster children) then you get an allowance for each child included in your applicable amount according to his or her age. This allowance is included until that child leaves school or reaches their 20th birthday.

A special rule applies if the child has left school and started work before the Child Benefit stops.

4.4 **Premiums for your family**

Once personal allowances and allowances for children have been worked out, premiums can be added – if they apply – to make up your applicable amount.

4.5 **Your Children**

A family premium will be included if you have any dependent children in your household. No matter how many children you have, you can only get one family premium.

4.6 **Premiums or components for disabilities**

These premiums are included in your applicable amount for people in your family with disabilities. There are three premiums and two components in this group:

- Disabled child premium (for each disabled child in your household);
- Disability premium (if you or your partner gets one of the benefits listed below or you have been off sick for more than 52 weeks);
- Severe disability premium (if you are disabled and live in special circumstances);

- Work related activity component; and
- Support component.

4.7 **Disabled child premium**

The disabled child premium is a flat-rate premium, which may be awarded for each disabled child in your household and can be included with any other premiums. Your child is considered disabled if they are:

- Registered blind;
- or receiving Disability Living Allowance.

4.8 **Disability Premium**

Disability premium will be included in your applicable amount if you and your partner are aged less than pension credit age and:

- Either of you is registered blind; or
- Either of you gets one of the qualifying benefits listed below; or
- Has been off sick for 52 weeks or more.

4.9 **Qualifying benefits**

You will get the disability premium if you or your partner gets any of the following benefits:

- Disability Living Allowance; or
- Personal Independence Payment; or
- Working Tax Credit Disability Element; or
- Constant Attendance Allowance; or
- War pensioners' mobility supplement; or
- Severe Disablement Allowance; or
- Incapacity Benefit – long term rate.

4.10 **Severe disability premium**

This premium cannot be included on its own. You must first qualify for the disability premium.

If you are single or a lone parent, the severe disability premium may be included in your applicable amount if you:

- Receive the care component of Disability Living Allowance at the highest or middle rate, Attendance Allowance or Constant Attendance Allowance or the daily living component of Personal Independence Payment; and
- Live alone (but if others live with you, see below); and
- No one receives Carer's Allowance for looking after you.

If you have a partner, you may get the severe disability premium if you both:

- Receive the care component of Disability Living Allowance (DLA) at the highest or middle rate, Attendance Allowance (AA or Constant Attendance Allowance or the daily living component of Personal Independence Payment; or

- Your partner is blind and you receive the care component of DLA at the highest or middle rate, AA or Constant Attendance Allowance; and
- No one lives with you; and
- Non one receives Carers Allowance for looking after either one or both or you.

For the purposes of severe disability premium your Council Tax Support is not affected if other people living with you are:

- Children; or
- Aged 16-17; or
- A person who is registered blind; or
- Receiving the care component of Disability Living Allowance (DLA) at the highest or middle rate, or Attendance Allowance (AA) or the daily living component of Personal Independence Payment; or
- People caring for you who are employed by a charity that makes a charge for this service.

4.11 **Enhanced Disability Premium**

Enhanced Disability Premium is awarded where you, or a member of your family, who is aged under 60 receives the highest rate of Disabled Living Allowance (DLA) or where the claimant is in receipt of Employment & Support Allowance Support Component or the daily living component of Personal Independence Payment. This premium will remain in payment if the DLA is suspended during hospitalisation. This premium is awarded at three different rates. They are:

- A rate for each dependent child / young person in your household who receives the highest rate of DLA;
- A rate for a single person who receives the highest rate of DLA or the daily living component of Personal Independence Payment;
- A rate for couples where at least one member of the couple receives the highest rate of DLA or the daily living component of Personal Independence Payment.

4.12 **Work related activity component**

This is awarded if you or your partner receives main phase Employment & support Allowance and receive a similar component within that benefit.

4.13 **Support Component**

This is awarded if you or your partner receives main phase Employment & Support Allowance and receive a similar component within that benefit.

4.14 **Caring Premium**

The Carer Premium is awarded if either you or your partner are looking after a disabled person and:

- Receive Carer's Allowance; or
- Made a claim for Carer's Allowance and would be entitled but for an overlapping benefit.

If both you and your partner satisfy the qualifying conditions two premiums can be awarded.

The Carer Premium continues for eight weeks after caring ceases.

5. Calculating Resources

Your resources are made up of your income and your capital. These are worked out as a weekly amount of income.

5.1 Income

Income is all the money that you have coming in from earnings, social security benefits, maintenance payments and other sources. Depending on the type of income, it may be completely or partially ignored in the calculation of your Council Tax Support (the disregards), or take fully into account.

Normally, your resources and those of your partner are taken together when your income and capital are worked out.

5.2 Income from employment

This explains what counts as your income from work you do, when you are employed by someone else. If you are a company director or any other officeholder in a company you are classed as an employee of that company.

Earnings from employment means any money you are paid when you work for someone else. This includes the following types of payments:

- Bonuses or commission (including tips);
- Money you get instead of your normal pay (for example, a liquidator may give you money when your employer stops trading and you are owed pay);
- Money you get in place of notice to end your employment, or money you get to make up for losing your job;
- Money you get for holidays you did not take (holiday pay) – but not holiday pay owed to you more than four weeks after you stopped work;
- Money you get if you are kept on while doing no work (for example, a retainer paid to school cooks during school holidays);
- Expenses you are given to cover your travel to and from work;
- Expenses you are given to cover the costs of looking after someone in your family;
- Any expenses you are given that are not essential for you to carry out your work;
- Money you get, under the Employment Protection (Consolidation) Act 1978, when you are not given work because of bad weather, or money you get because of unfair dismissal;
- Money that an industrial tribunal orders your employer to give you if the period of notice or redundancy that is required by law has not been given;
- Money you get from your former employer's redundancy funds if the business goes into liquidation;
- Statutory Sick Pay or Statutory Maternity Pay;
- Statutory Paternity Pay and Statutory Adoption Pay;
- Employer's sick pay or employer's maternity pay;
- Earnings from permitted work, that is, work while you are getting an incapacity benefit which your doctor thinks would benefit your health.

Earnings from employment do not include:

- Payment in kind (where no money is involved);
- Expenses you are given that are essential for you to carry out work;
- Any occupational pension.

5.3 **Net earnings**

Once your gross earnings have been worked out, the Council will take away:

- Your income tax payments;
- Your National Insurance (NI) contributions; and
- Half of any contributions you make to an occupational or personal pension scheme (any amounts paid to a pension scheme by your employer do not count).

This gives your net earnings, which are used to work out your Council Tax Support.

5.4 **Self-employed earnings**

If you are self-employed, all the money you earn when you are not employed by someone else is known as your earnings from self-employment. You may have self-employed earnings even if you are also working for someone else, or if you are a franchise holder.

When working out your earnings the Council will want to know how much you earn when you are self-employed, and you will be asked to provide evidence, if possible, of how much you earn.

There are three stages in working out your self-employed earnings. The first is calculating the gross profit of your business. In the second stage, deductions – which are called allowable expenses – are taken away from the gross profit to give the net profit of the business. In the third stage, tax, National Insurance, and half of any pension payments are taken away from your net profit to give your net earnings.

5.5 **Childminders**

If you are a childminder only one third of your earnings from childminding will be taken into account when your Council works out your Council Tax Support.

5.6 **Earnings and earnings disregards**

After working out your net earnings, any amount that is not counted in the calculation of your Council Tax Support is known as a disregard.

The amount of your earnings that is disregarded depends on which premium is included in your living allowance (applicable amount). There is more information on the living allowance.

5.7 **When £5 is not counted**

If you are single and you cannot get a greater disregard by any of the means explained below, up to £5 of your weekly earnings will not be counted (the £5 disregard).

5.8 **When £10 is not counted**

If you have a partner and you cannot get the £20 disregard by any of the means explained below, up to £10 of your joint weekly earning will not be counted (the £10 disregard).

5.9 **When £20 is not counted**

£20 per week of your earnings will not be counted if your living allowance (applicable amount) includes:

- A disability premium; or
- The severe disability premium; or
- A component with Employment & Support Allowance; or
- The carer premium (where the carer is working).

If both you and your partner are carers, the total disregard cannot be more than £20. The carer premium and this earnings disregard can continue for a further eight weeks after caring ceases.

If you have a partner, your earnings are added together when your Council Tax Support is worked out.

If you cannot get the £20 disregard under the above categories, you may still be able to get it if you are:

- A part-time firefighter; or
- An auxiliary coastguard; or
- A part-time member of a crew launching or manning a lifeboat; or
- A member of the Territorial Army or the Reserve Forces.

5.10 **When £25 is not counted**

If you are a lone parent up to £25 of your weekly earnings will not be counted (the £25 disregard).

5.11 **Additional disregard**

If you work on average 30 hours a week or more you will usually be able to get an extra earnings disregard. In certain circumstances you can also qualify for the higher earnings disregard if you work 16 hours or more e.g. if you are a lone parent or disabled. This is the same amount as the 30 hour tax credit in your Working Tax Credit (WTC).

5.12 **Childcare charges**

In certain circumstances, average childcare charges of up to £175 (for one child) or up to £300 for two or more children per week per family can be offset against your earnings. This disregard, which is in addition to the other earnings disregards, is available to:

- Lone parents who are working 16 hours or more per week;
- Couples where both are working 16 hours or more per week;

- Couples where one member is working 16 hours or more per week and, generally, the disability premium, or, in certain circumstances, the higher pensioner premium, is included in the applicable amount on account of the other member's incapacity or the member is in hospital or in prison.

It applies where formal childcare is provided by, for example, registered childminders or day nurseries for children until the first Monday in September following their 15th birthday (or the 16th for children who are entitled to Disability Living Allowance or who are registered blind).

In certain circumstances, help with childcare costs can be given while you are on maternity leave or paternity or adoption leave or you are sick. The Council will be able to give you more details.

In some other cases explained here, different amounts of your earnings are not counted.

If you are in receipt of the Guarantee Credit element of state Pension Credit, Income Support, income-based Jobseeker's Allowance or income related Employment & Support Allowance then any earnings you get will not be counted again in working out Council Tax Support.

5.13 **Notional Earnings**

If you have done some work and you seem to have been paid very little for it, then the Council will estimate what that work is worth. If you have a good reason for the pay being so low – for example, if you worked for someone who had very little money – then you should let the Council know. If necessary, the Council may check your statement of earnings by asking your employer.

5.14 **Other income**

Other income is all the other money you have coming in apart from earnings from employment or self –employment. It is sometimes called unearned income. In some cases none of your unearned income is counted. Sometimes part of it is counted, in other cases it is all counted.

5.15 **State benefits**

The following benefits are counted in full as income for local Council Tax benefit:

- Contribution-based Jobseeker's Allowance;
- Contribution-based employment & Support Allowance;
- Universal Credit (the child care costs element and housing costs element will be ignored);
- State Pension;
- Incapacity Benefit;
- Severe Disablement Allowance;
- Carer's Allowance;
- Industrial Injuries Disablement Benefit;
- Industrial Death Benefit;
- Working Tax Credit;
- Child Tax Credit (ignored if you or your partner are pension age);
- Savings Credit or Pension Credit;
- Bereavement Benefits (ignored if you or your partner are pension age).

5.16 **Unearned income that is not counted**

The following types of income are not counted by the Council when it works out your Council Tax Support:

- Any income you get if you are getting the Guarantee Credit element of State Pension Credit, Income Support, income related Employment & Support Allowance (ESAIR) or income-based Jobseeker's Allowance (JSA);
- Disability Living Allowance (DLA);
- Personal Independence Payment;
- Attendance Allowance (AA) or Constant Attendance Allowance (CAA);
- Attendance allowances paid as part of a War Disablement Pension or Industrial Injuries Disablement Benefit;
- Child Benefit;
- Child maintenance;
- Money you get which takes the place of DLA, AA, CAA, or Income Support;
- War pensioners' mobility supplement;
- Any money you get from the Social Fund;
- Guardian's Allowance;
- Money you get as a holder of the Victoria Cross, the George Cross, or any comparable award;
- Any grants or allowances you get from you local education authority if you have a dependent child who continues in education after school leaving age;
- Any training premium and any refunded travelling expenses or living away from home allowances when you are on a Department for Education and Employment Training Scheme training course or at an employment rehabilitation centre;
- Any money such as interest or dividends from savings or investments;
- Any expenses you get from an employer that you need to carry out your work;
- Any expenses you get from a charity so that you can carry out unpaid work;
- Any income in kind (where you are given something other than money);
- Any income you have which has been held back outside this country, as long as it remains held back, and it is not within your control;
- Any money you get for fostering a child;
- Any money you get for looking after an elderly or disabled person temporarily (community boarding our schemes);
- Any money you get from local Social Services Department to help keep a child at home instead of putting them into care;
- Any Council Tax Benefit / Council Tax Support you receive;
- Special payments made with your War Widow's Pension if you have been designated as a pre-1973 war widow;
- Any charitable or voluntary payments which are made regularly;
- Payments made under the Employment Department's 'Access to Work' scheme for disabled people; or
- War Disablement Pension or a War Widow's / Widower's Pension, or any similar payment from another country.

Some types of income may be counted as capital.

5.17 **Unearned income that is counted as part**

The following are the types of unearned income that are only partly counted.

- The first £15 of Widowed Mother's Allowance or Widowed Parent's Allowance;

- The first £20 of any money from sub-tenants; or
- The first £20 then 50% of the excess of money you receive from a boarder is ignored. The balance is treated as income.

If you receive child maintenance for a child you have responsibility for then this will be taken into account when calculating your income.

5.18 **Notional income**

The Council may think that there is income, which you could get, but you are not claiming. This is known as notional income because you do not actually receive that income. The Council may take this into account for council Tax Support purposes.

5.19 **Parental contributions to students**

If you are making a parental contribution to a student then part of your income is not counted to take account of this.

5.20 **Capital**

Your capital includes savings and investments held by yourself in any form (for example, bank and building society accounts, investment trusts, and shares) from any source (for example, inheritance, redundancy payments, and irregular payments from a charitable or voluntary source). It will normally also include the net sale value of land and housing that you not occupy, after deducting 10% for expenses of sale.

If you have a partner, capital belonging to your partner is treated as yours for the purposes of Council Tax Support.

5.21 **Capital outside the United Kingdom**

If you have capital – in the form of liquid or fixed assets – outside this country, the Council will need to know how soon it can be transferred and how much it is worth. If the capital cannot be brought into this country, enquiries will be made about how easily it can be sold, and whether a willing buyer can be found. If no willing buyer can be found, it may not be counted.

5.22 **Capital for working age scheme**

If you have capital up to £6,000 this will not be taken in account in calculating your income. The Council will use the amount of capital you have either at the start of the Local Council Tax Benefit scheme if you were in receipt of the national Council Tax Benefit or when you make an application for the local scheme to calculate your income. If your capital reduces during the year this will not change your Local Council Tax Benefit entitlement.

If you have capital above £6,000 your Local Council Tax Benefit will be reduced. If you had capital above £6,000 six months prior to your application for Local Council Tax Benefit this will be considered when deciding whether you should receive Local Council Tax Benefit. Capital over £6,000 up to £16,000 will be taken into account at £1 a week for each £250 (or part £250)

5.23 **Capital for Pension Age Scheme**

The first £10,000 of capital is not counted. Capital over £10,000 up to £16,000 will be taken into account at £1 a week for each £500 (or part of £500) of capital over £6,000. Actual interest payments or dividends are not counted as income but as capital.

For customers who receive the Guarantee Credit element of State Pension Credit there is no upper limit on the capital you can have.

5.24 **Personal possessions**

Personal possessions – for example, a car, furniture and fittings in your house, and family belongings – are usually not included in the calculation of capital. However, this may not be the case where the council has good reason to believe that something has been bought to reduce your capital in order to gain or increase entitlement to benefit. If the council decides that you deliberately got rid of capital just so that you can get Council Tax Support, it may assume that you have notional capital to the value of the capital you disposed of.

5.25 **If you own your own home**

The value of your property (including the house, garage, and outbuildings) is not counted unless any part of the property could reasonably be sold off separately. Loans raised on the property will be counted as capital.

5.26 **Property you own but do not occupy**

The value of this property is counted as capital but you may be able to get HB / CTB even if the value of the property means that your savings are more than £16,000. This is because the value of the property may be ignored when your savings are worked out, in certain circumstances.

If the property is occupied by an elderly or disabled relative as their home, its value is not taken into account for as long as it is so occupied.

If you have recently acquired the property and you intend to occupy it as your home, its value may not be counted for 26 weeks, or for a longer period if reasonable, from the date you acquired it.

If you are trying to sell the property, its value may not be counted for the first 26 weeks after you start doing this. It may not be counted for longer than this if you are finding it difficult to sell the property.

If you are carrying out essential repairs or alterations so that you can live in the property, its value may not be counted for a period of 26 weeks from the date you first arranged for repairs to be carried out. It may not be counted for longer than this if you are finding it difficult to finish the work.

If you are taking legal action so that you can live in the property, its value may not be counted for the first 26 weeks after you start doing this. It may not be counted for longer than this if legal action is continuing and you cannot live in the property.

5.27 **Deposits on your accommodation**

Sums that have to be deposited with a housing association or landlord as a condition of your tenancy are not counted.

5.28 **Earmarked capital**

If capital from the sale of a house is kept for a house purchase, it is not counted for up to six months, or longer if:

- Major repairs or adaptations are needed for you to occupy your home; or
- The completion of the purchase of your new home is unavoidably delayed.

Compensation received for a burglary or for damage to or loss of a house is also not counted for six months, as long as it is to be used for repair or replacement.

5.29 **Valuation of property**

Property will be valued at the price it would be expected to fetch on the open market, less any outstanding mortgage or legal charges on the property. Ten per cent of the current market value will also be deducted to take into account the cost of the sale.

If you have property outside the United Kingdom and there is no restriction on transferring money to this country, your property will be valued at its local sale value. If there is a restriction, its notional value will be the value of a sale to someone in the UK. In both cases, any outstanding legal charges on the property or mortgages will be deducted, together with 10% of the total to cover the cost of the sale.

5.30 **National Savings Certificates**

National Savings Certificates of the current issue are valued at purchase price. Certificates of a previous issue are valued as if they were purchased on the last day of that issue.

5.31 **Life assurance policies**

The surrender value of life assurance policies is not taken into account when assessing Council Tax Support.

5.32 **Arrears of benefits**

Any arrears of Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Pension Credit, Income Support, income-based Jobseeker's Allowance, Housing Benefit, Working Tax Credit and Child Tax Credit that you get are not counted for up to 12 months.

5.33 **Lump sum payment of deferred State Pension**

The gross amount of lump sum, or an interim payment made on account of a final lump sum, paid at the end of the period of deferring State Pension will be disregarded as capital for the life of the recipient.

5.34 **Compensation payments**

For Council Tax Support purposes, compensation payments will normally be counted as full as capital. Capital will not be counted if it is held in trust or by the 'Court of Protection' as a result of a personal injury payment – for example, a criminal injury payment or a vaccine damage payment. For persons of Pension Age compensation payments made as a result of personal injury are ignored whether or not placed in a trust.

5.35 **Business assets**

Business assets of a self-employed earner are not counted while engaged in that business. Nor are they counted in certain other circumstances, but any shares owned will be treated as capital.

5.36 **Notional Capital**

The Council may think that there is capital which you could get but which you do not have. This is known as notional capital because you do not actually possess that capital.

- Capital you have disposed of – you will be treated as having notional capital if you have disposed of capital in order to get Council Tax Support or to get more Council Tax Support.
- Capital you could have got – if you have the right to money held in a private trust, then that is actually your capital, and will be taken fully into account.

If the Council has decided to treat you as possessing notional capital they will reduce the amount of this capital on a regular basis by a set calculation. This calculation reduces your notional capital by the amount of support you have lost as a result of deprivation.

6. How Council Tax Benefit is paid

6.1 If you are liable to pay the Council Tax, the Council will normally send you a Council Tax bill from which your Council Tax Benefit has already been deducted. You will then have to pay only the reduced amount. This means that you will not actually receive any money, but your Council Tax bills will be reduced.

7. How you will be notified about your Council Tax Benefit

7.1 The Council will reach a decision on your entitlement to Council Tax Support as soon as possible after your claim and all supporting evidence is received.

8. How can I appeal?

If you disagree with the decision you will need to write to the Council stating the reasons. The Council has two months to reply to you. If the Council agrees with your appeal then the Council Tax Benefit will be amended and you will receive another Council Tax bill showing the revised amount.

If the Council does not agree with your appeal or you not receive a response within two months, you may appeal to the Valuation Tribunal. This is an independent tribunal who

will hear your case (either in person or in writing). If the Valuation Tribunal agrees with you they will instruct the council to amend your Council Tax Support accordingly.

Throughout the appeal you will still be required to make payment of your Council Tax liability as determined by the Council.

9. Changes of circumstances

9.1 You must notify the Council immediately if there is a change in anything that might affect your right to or the amount of Council Tax Support.

This will include:

- Where you live; or
- Who you live with; or
- Your income, savings and investments; or if you stop getting Pension Credit, Income Support, income-based Jobseeker's Allowance or employment and Support Allowance, Universal Credit; or
- If you get a job; or
- If you or your partner go into hospital; or
- If there is any other change in your circumstances which you might reasonably be expected to know might affect your right to Council Tax Support.

The changes must be notified in writing although in certain circumstances the Council may accept this by telephone or electronically.

Most of these changes will affect your Council Tax Support in the following support week, but changes in the amount of council Tax payable will affect your Council Tax Support from the day on which the change occurs.

10. Students

Council Tax Support is not normally available for students. The exceptions are:

- Vulnerable students, such as disabled students and lone parents;
- Part-time students;
- Couples where one partner is not a student.

Loan and grant income

The grant money you get is generally paid to cover the period you are studying. If it does not cover this period your Council, or Student Awards Agency for Scotland, will tell you the period it does cover.

If you are eligible for a loan or have been awarded a grant the Council will assume that these amounts are paid, whether they are actually paid or not.

The money you receive in your loan is your income for the period between the beginning of September and the end of June and is divided by the number of weeks in that period to give a weekly amount.

If you receive a dependants grant this will be taken into account over the same period as your loan unless you also receive, or only receive, a grant towards your personal maintenance.

Because much of your loan is meant for essential educational items, some of the grant is ignored when working out your income for Council Tax Support. The following elements of your loan or grant are not counted:

- Tuition and examination fees;
- Any disability allowance in your grant;
- The cost of term-time residential study away from your college;
- The Two Homes Grant – given when you have to maintain another home away from college;
- An allowance for books and equipment; and
- Travel expenses.

Students and partners

Your grant may have been reduced to allow for your partner's income because your partner can make a contribution to your expenses. An amount – equal to that contribution – is then ignored when the Council works out your joint income for Council Tax Support. If a student is required to contribute to his own grant income, an equivalent amount is disregarded from the income used to assess that contribution.

Other income

This will be treated in the same way as grant income if it is intended for expenditure that is needed on the course. If the income is not intended for expenditure on the course, it is treated under the normal rules for income.

Loans from Student Loans Company

The maximum loan available to you will be taken into account regardless of whether you have borrowed up to your limit or not. The loan will be divided by the number of weeks between the beginning of September and the end of June to arrive at a weekly figure for assessment purposes. Up to £10 a week of the loan may be ignored.

Access funds

These are discretionary payments made by educational establishments to students who are facing financial hardship.

The amount of the payment to be taken into account will depend on how it is to be paid and what the payment is for. Some payments from the funds can be disregarded in full.

11. Information and information sharing

The Council will use information provided by the Department of Work and Pension and Her Majesty's Revenues and Custom for the purposes of Council Tax support, Council Tax liability, billing, administration and enforcement.

The Council may receive and obtain information and evidence relating to claims for Council Tax Benefit, the Council may receive or obtain the information or evidence from:

- a) Persons making claims for Council Tax support;
- b) Other persons in connection with such claims;

- c) Other local authorities; or
- d) Central government departments including the DWP and HMRC

The Council may verify relevant information supplied or obtained for Council Tax Support purposes.

12. Counter Fraud and Compliance

In order to protect the finances of the Council and also in the interests of all Council Taxpayers, the authority will undertake such actions as allowed by law to;

- a) Prevent and detect fraudulent claims and actions in respect of Council Tax Support;
- b) Carry out investigations fairly, professionally and in accordance with the law; and
- c) Ensure that sanctions are applied in appropriate cases.