

South Gloucestershire Council

Draft council tax support scheme design

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Terminology

There are a number of terms in this document which have specific meanings. The following list, which is given for guidance only, is a summary of those terms:

Income	is all the money that you have coming in from earnings, social security benefits, maintenance payments and other sources.
Capital	means your savings, investments and the value of property and land owned but not occupied by you. You will not get Council Tax Support (CTS) if your capital is worth more than £16,000. We use partner to mean:
Partner	<ul style="list-style-type: none">• a person you are married to or a person you live with as if you are married to them, or• a civil partner or a person you live with as if you are civil partners.
Children	a child is described as someone who has not reached his or her sixteenth birthday. After that children are classed as young persons up to their nineteenth birthday as long as they remain at school or in non-advanced education at college. In this guide a young person is treated the same as a child, so the word child may refer to a child or young person.
Applicable amount	represents the needs of you and your family, if you have one. The applicable amount is made up of three parts: a personal allowance; personal allowances for children in your family; premiums. We will decide if you have a right to reside and are habitually resident by asking you things like: <ul style="list-style-type: none">• Whether you have worked in the UK• How long you have lived abroad• Why you have come to the UK• How you plan to support yourself in the UK• How long you plan to stay in the UK.

Right to reside and habitually resident

We may be able to treat you as having the right to reside and habitually resident if you:

- Are a European Economic Area (EEA) national who is a worker or has the right to reside under European Community (EC) law
- Are a member of the family of an EEA national who has recently been a worker
- Have refugee status
- Have been given exceptional leave to enter or remain in the UK
- Left Monserrat after 1 November 1995 because of the volcanic eruption
- Have been deported to the UK
- Left the Lebanon on or after the 12th of July 2006 because of the armed conflict there
- Have Humanitarian Protection granted by the Home Office.

For more information, contact the council.

About this document

This guide is intended for professional and voluntary advisers and for members of the public who want to know more about council tax support (CTS).

This document and the law

The guide gives a detailed explanation of the CTS rules. It cannot cover every situation or problem, or provide a full interpretation of the rules in all cases, so it cannot be treated as a complete and authoritative statement of the law.

The basis of the law for CTS is the Social Security Administration Act 1992 and the Social Security Contributions and Benefits Act 1992, as amended by the Local Government Finance Act 1992. These Acts provide the framework for the detailed rules contained in regulations made by the Secretary of State and approved by Parliament.

In the text there are references to the relevant regulations or schedules, to allow you to consult the legal wording of the rules.

Introduction

Council tax support (CTS) is a local scheme to help pay for council tax. It is assessed and paid by the council.

If you claim Income Support and/or Incapacity Benefit or Jobseeker's Allowance, then Jobcentre Plus staff will generally take your benefit details over the telephone and advise you what steps you need to take next to progress your benefit claim(s). At the same time as gathering these benefit details they will also take some details about your Council Tax Support application.

In some areas where the electronic claims process has not been introduced or where there are problems with the process, it may be necessary for you to complete clerical claim form(s) for Jobcentre Plus benefits as well as any claim to Council Tax Support. If this is the case you should complete and sign the form and return it to the council.

If you do not make an application for Income Support or income-based JSA you must claim CTS straight from the council.

What is the council tax?

The council tax is the way that you help to pay for the local services that your council provides. Each council sets the level of the council tax for its own area, but the amount you have to pay depends on the relative value of your home. Discounts will be available where, for example, there is only one adult in the home. There will be one council tax bill for each dwelling, which will usually be payable by the owner-occupier or tenants or joint tenants, including council tenants. Where there are two or more people who are joint owners or tenants, they will both be liable for the tax.

If you have to pay the council tax you may be able to get CTS towards what you pay. CTS is a support scheme to provide help with up to 100% of the council tax.

Who can claim Council tax support ?

Persons from abroad

You can only get support if you have a right to reside and are habitually resident in the United Kingdom(UK). If you have entered the UK within the 2 years before your claim for benefit, the council will ask you about this.

Most full-time students are not entitled to CTS.

Asylum seekers who applied for asylum on or after 3 April 2000 will not be eligible for CTS. Some people who applied for asylum before 3 April 2000 may continue to be entitled to benefit until the first negative decision on their asylum application. People given refugee status, humanitarian protection or exceptional leave to remain in the UK will continue to be eligible for benefit.

If you get Income Support or income-based Jobseeker's Allowance

If you get Income Support or income-based Jobseeker's Allowance (JSA) you may be able to get the maximum amount of CTS.

Maximum CTS depends on:

- how much council tax you have to pay
- and who you live with (see 'People who live with you - non-dependants' and 'Second Adult Rebate' for further information).

If you are already getting or have claimed Income Support or income-based Jobseeker's Allowance you will need to get a claim form the council to fill in. If you have not claimed one of these benefits and wish to make a claim then you will follow the process for people claiming Income Support or income-based JSA.

Extended Payments

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.

Extended Payments of Council Tax Support (CTS) is an extra four weeks of CTS to help pay towards your council tax when certain other benefits stop because you're going back to work, working more hours or earning more money.

You no longer have to claim 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've been getting one of the following:

- 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

And

- You expect the work, increased hours or earnings to last five weeks or more and you've not been getting Income Support, income-based Jobseeker's Allowance or income-related Employment & Support Allowance with your Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance when it ceased.

Normally you'll get the same amount of CTS as you did before your income-based Jobseeker's Allowance, Income Support, income-related Employment & Support Allowance, Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance stopped.

It is paid by the council in the same way as you normally get your CTS. When your Income Support, income-based Jobseeker's Allowance or income-related Employment & Support Allowance stops because you start work or have a change of circumstances, the council will check how long you've been getting them.

When your Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance stops because you start work or have a change of circumstances, the council will check how long you've been getting them.

In either case, the council will decide whether or not you're entitled to an Extended Payment.

The council will consider whether you are entitled to in-work CTS. Once your extended payment period has ended, you can move onto in-work CTS (provided you are entitled to it) without having to make a new claim.

If you do not get Income Support or income-based Jobseeker's Allowance

Even if you do not get Income Support or income-based JSA, you may still get some help with paying your council tax. This is worked out by comparing the maximum CTS you could get with:

- your needs (called your applicable amount)
- and your income and capital resources.

Capital

Savings and investments (capital) may have an effect on the assessment of your income. Capital will only affect your income if you have more than £6000. If you have more than £16,000, you will not normally be able to get CTS.

Absences from home

There are some special situations in which you may continue to get Council Tax Support (CTS) and these are explained below.

Going away

You should normally let the council know if you are temporarily absent, for example if you go away on holiday. But the council may not need to know if you will be absent for only a short time (for example 2-3 weeks) and your circumstances remain unchanged. If in doubt, ask your council.

If you are temporarily absent you can normally get CTS for a maximum of 13 weeks as long as:

- you intend to return home
- and in your absence you will not let or sub-let the part of your home where you normally live
- and you will not be away for longer than 13 weeks.

In certain circumstances, you may be able to get CTS for up to 52 weeks, for example if you are in hospital, or are held in custody on remand, provided that:

- you intend to return home
- and in your absence you will not let or sub-let the part of your home where you normally live
- and you will not be away for longer than 52 weeks.

In hospital

If you or a member of your family is in hospital for up to 52 weeks, your CTS will not change. After 52 weeks CTS will not be payable for the person in hospital. So, if the claimant is a single person CTS will cease, but if the claimant is a member of a couple, the member remaining in the home can claim in their own right.

How to claim

This section explains all aspects of claiming Council tax support (CTS).

If you make an application for Income Support or income-based Jobseeker's Allowance

If you claim CTS at the same time as claiming Income Support, Jobseeker's Allowance (JSA) or Incapacity Benefit from Jobcentre Plus, normally your details will be taken over the phone. They will then send you a statement of your circumstances for you to check, sign and return to Jobcentre Plus either at an interview or by post if you are not required to attend the office. Once you have returned this statement to Jobcentre Plus along with the necessary evidence in support of your benefit claims they will send details of your CTS claim(s) to the council.

Occasionally, Jobcentre Plus will send you an Income Support/JSA application pack which will contain a claim form which you should fill in and return to the council. The Jobcentre Plus will tell the council if you are entitled to Income Support or income-based JSA or not.

If you are already getting Income Support or income-based JSA and you become responsible for council tax you will need to claim CTS direct from the council.

If you are not applying for Income Support or income-based Jobseeker's Allowance

If you are not making an application for Income Support or income-based JSA you need to make your claim direct to the council. When you have completed your CTS claim forms you need to return them to the council

Couples

If you are married and your husband or wife normally lives with you, or if you live with someone as though you are a married couple, only one of you can make the claim for both. You may choose who is to make the claim, or if you cannot agree who is to claim, the council will nominate one of you to be the claimant.

Appointees and nominees

An appointee, for the purposes for CTS, is someone over 18 appointed by the local authority, to manage the CTS claim of someone who is incapable of doing so themselves (mainly because of mental incapacity). A nominee is someone who collects benefit for the customer even where the customer is otherwise capable of managing their benefit.

Appointees

If you are already an appointee for other benefits and wish to be the appointee for CTS, you should write to be appointed by the local authority. The role and responsibilities are the same. If you wish to become an appointee you should get in touch with the local authority; who will explain the process and your responsibilities. The local authority can end the appointment at any time. It is ended automatically if one of the people listed below is appointed. As an appointee you can resign at any time. An appointee cannot be made where there is already someone acting for the customer's financial affairs in any of the following capacities:

- a receiver appointed by the Court of Protection
- under Scottish law, a tutor, curator or other guardian, a continuing attorney or welfare attorney
- someone appointed to have the power of attorney.

Nominees

A nominee is someone you name to collect your money for you. But you still need to fill in your own claim form and notify the council of changes in your circumstances. Your nominee must be at least 18 years old. You need to let the council know who you have chosen as your nominee.

Information and evidence

The council may need more information or supporting evidence so that it can calculate your CTS. If all the information it needs is not on the claim form, or it needs to clarify something or want some more verification of your circumstances the council will write to you. If you do not reply within one month a decision will be made on your claim based on the evidence you have provided. (The council may extend the one month time limit if it thinks it is reasonable to give more time)

Date of claim

The date of claim will be the date of first contact typically by phone for claims made alongside a claim for IS/JSA(IB) provided that the claim form is returned to an office of the LA (or DWP for a claim linked to IS/Jobseekers Allowance) within one month of the claim form being issued.

The date of claim for a CTS claim made alongside a claim associated with IB/JSA(C) would be the date of receipt of the written claim.

The date of claim for all standard claims to CTS will be the date of first contact.

If you change your address

If you move to a different council area, you must make a new claim for CTS at your new council. If you move within the same council area, you must still tell your council. They will tell you whether you need to make a new claim for CTS.

Backdating a claim

Your claim to CTS may be backdated in some circumstances. You must prove to the council that there was continuous good cause for not having made an earlier claim. The council can go back is 6 months from the date your claim for backdating was actually made. You must show there was 'good cause' for not making an earlier claim throughout the whole of any period you want backdated up to the date your claim for backdating was made.

Start of benefit

If you become liable for the council tax for the first time, for example if you move to a new address or reach the age of 18 or stop being a registered student, you should claim either in advance (you may claim up to 13 weeks before you expect to become liable), or in the week that your liability starts. You then get benefit from the day you start being liable. If you claim later than this, your benefit starts on the Monday after the day you claim.

If you are already paying the council tax and become entitled to benefit because you have less money or your applicable amount changes, you also start getting benefit on the Monday after you claim.

In a few cases your claim to CTS may be backdated.

Start of Council Tax Support where a claimant acquires a partner

If you acquire a partner, you and your partner will be jointly and severally liable for the council tax.

If you notify the council of the change, either before, or in, the week that your partner becomes jointly and severally liable, benefit for you and your partner, as a couple, can be paid from the day that joint liability for council tax begins.

If you notify the council of the change after the week in which your partner becomes jointly liable for council tax, benefit for you and your partner, as a couple, can only be paid from the Monday following the day you told the council about the change. In this case, the council will re-assess your benefit entitlement from the Monday following the day you and your partner become a couple, and they will take any income and capital your partner has into account and will look at your joint needs.

End of benefit

If you stop being liable for the council tax, for example if you move away from an address or become exempt or start being a registered student, your CTS stops on the day you stop being liable. If you no longer qualify for CTS because, for example, your income increases or your applicable amount changes, your CTS will be stopped from the beginning of the next benefit week.

End of Income Support or income-based Jobseeker's Allowance entitlement

If you stop getting Income Support or income-based JSA, you must tell the council and it will have to stop your CTS. At the same time it will send you a claim form for you to explain your new circumstances, because you may still be able to get some help with your council tax.

What you can claim for

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 as a family and any children you have fostered do not count as non-dependants.

Non-dependant deductions

Any non-dependants who normally share your accommodation could affect the amount of CTS you get whether or not you are also getting Income Support or income-based JSA.

Shared accommodation does not include:

- a shared bathroom or lavatory; or
- a shared corridor or entrance; or
- communal areas in sheltered accommodation.

The following people do not count as non-dependants, whether they share accommodation or not:

- carers employed by a charity that charges for the service
- joint tenants
- subtenants
- boarders
- tenants of owner occupiers
- landlords/ladies and their partners.

They do not count as part of your household.

Non-dependants are people like grown-up sons or daughters and elderly relatives. If you have non-dependants living with you CTS may be affected.

Non-dependant deductions from CTS

Deductions are made from your CTS for non-dependants aged over 18 who normally live with you. There are four levels of deduction. If the non-dependant is working less than 16 hours a week, the lowest deduction will apply. If the non-dependant is doing paid work for 16 hours or more a week, the level of deduction will depend on the non-dependant's gross income.

A deduction will not be made from your CTS if:

- the non-dependants' normal home is somewhere else
- you, or your partner, are registered blind or treated as blind (see page 69 or 71 for an explanation of being 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 Pension Credit, Income Support or income-based JSA or income-related Employment & Support Allowance
- 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 52 weeks or more. If the non-dependant leaves hospital but is readmitted to hospital within 28 days, their total number of days in hospital are added together or
- the non-dependant is living in a residential care or nursing home or
- the non-dependant is a care worker
- 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).

Water Charges

CTS cannot provide help with water rates (or in Scotland the Community Water Charge).

Working it out

Maximum Council Tax Support

The maximum help you can get with your council tax is 100% of your council tax bill minus any non-dependant deductions that apply.

If you get Income Support or income-based Jobseeker's Allowance

If you get Income Support, income-based Jobseeker's Allowance (JSA) and you have council tax to pay you can get maximum CTS.

If you do not get Income Support or income-based Jobseeker's Allowance

If you do not get Income Support or income-based JSA the council has to work out if you can get CTS and if so, how much you can get.

To do this the council works out your maximum CTS, and then compares your needs – called the **applicable amount** – with your resources (your income and capital).

Income less than applicable amount

In this case you get maximum CTS. If your income is this low and you do not work or work less than 16 hours a week, you may also be able to get Income Support or income-based JSA. If you work 16 hours a week or more you may be able to get Working Tax Credit or Child Tax Credit if you have a child. You will also get maximum CTS if your income is the same as your applicable amount.

Income greater than applicable amount

In this case you will get an amount less than your maximum CTS. The amount by which your CTS is reduced is based on the difference between your income and your needs.

A percentage of this difference – called a taper – is taken away from your maximum CTS.

Calculating your needs

Your needs are known as your **applicable amount** and this is an amount that by Parliament for the year 2012/2013 for Council Tax Benefit. Your **applicable amount** takes into account the size of your family, your age and extra needs you may have. It is made up of personal allowances and premiums. Premiums are included if you have a family, or disability, or a disabled child, or if you are elderly.

Calculating your resources

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

Income is all the money that you have coming in from earnings, social security benefits, maintenance payments and other sources. **Capital** means your savings, investments and the value of property and land owned but not occupied by you.

You will not get CTS if your capital is worth more than £16,000.

The family

When you claim CTS the council will need to know who lives with you as part of your family. If you have people living with you who are dependent on you, your applicable amount may be increased.

The applicable amount is described in detail. It represents the needs of you and your family but it is only relevant if you are not getting Income Support or income-based JSA (if you get Income Support or income-based JSA, Jobcentre Plus have already worked out your needs). For the purpose of CTS a family can be:

- a married couple
- or an unmarried couple
- or a lone parent and their dependent children
- or a married or unmarried couple with dependent children.

Your needs as a family will normally be added together when your CTS is worked out.

Partners

If you live together, you and your partner do not have to be married to be assessed as husband and wife. Either you or your partner can claim for both.

People of the same sex who live together do not count as couples for CTS purposes.

If you were legally married to more than one partner under the laws of a country that permits this, then your relationship is called a polygamous marriage. In this case your household consists of you and any partners who normally live with you and to whom you are married.

Children

For CTS a child is described as someone who has not yet reached their 16th birthday. After that, children are classed as young persons up to their 20th birthday as long as they remain at school or in non-advanced education at college. In this guide a young person is treated the same as a child, so the word child may refer to a child or a young person.

A young person is not treated as a child if they are getting Income Support or income-based JSA in their own right.

A child counts as a member of your household only if they normally live with you.

Responsibility for a child

It may sometimes be unclear where a child normally lives (for example, children of separated parents). If your child spends equal amounts of time with both parents and you get the Child Benefit, the child is counted as living with you. If no one is getting Child Benefit for the child, and it is not clear who has primary responsibility for them, it will be for the local council to decide who is responsible. A child can be the responsibility of only one person in any one benefit week.

If you have a daughter who lives with you and has a baby, the council will have to decide whether she is dependent on you or forms a family of her own. She will not be considered part of your family if she gets Income Support for herself and her baby.

Adoption

Any children you legally adopt are counted as part of your family in the usual way and so are any children for whom you get a custodianship allowance.

Children awaiting adoption

For CTS any child boarded out before being adopted, or placed for adoption, should not be treated as a member of the family of either the natural parent or of the person with whom the child is living before they are adopted.

Children in local authority care

Your child is not a member of your family while they are in local authority care and living away from home. If your child comes to stay with you under supervision, they are again part of the family. If your child comes to visit you to keep in touch, you may be able to count them as part of your family for that time.

Fostering children

When you foster children they do not count as members of your family for CTS purposes.

Children at residential or boarding school

Children who have to stay away from home for their education are only temporarily absent from home, so they are still part of the family.

Reduced Housing Council Tax Support

If your income is greater than your applicable amount, your CTS will be reduced. The reduction is tapered, which means that the more money you have the less CTS you will get.

The council compares your income with your applicable amount. If your income is more than your applicable amount the council takes away 20% of the difference from your maximum CTS. So, for every £1 that your income exceeds your applicable amount the council will take 20p off the maximum benefit for that week. The resulting sum is the amount of benefit you will get on your claim.

Weekly amounts

CTS is calculated on the basis of a benefit week. The benefit week is the seven days from Monday to Sunday. The council needs to have weekly amounts for all the elements in the calculation to work out your CTS. Your applicable amount (needs) and non-dependant deductions are already worked out as weekly figures.

Applicable amounts

The applicable amount represents the needs of you and your family if you have one. The larger your family the larger your applicable amount. The applicable amount is made up of three parts:

- a personal allowance
- and personal allowances for children in your family
- and premiums.

Personal allowance

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

- single people aged under 25 and lone parents aged under 18
- single people aged 25 to 59, and lone parents aged 18 to 59
- couples where both partners are aged under 18
- couples where the older partner is aged 18 to 59

The amounts were set by Central Government in 2012/2013.

If you are legally married to more than one partner

This is called a polygamous marriage. In this case you get a special personal allowance. It is made up of two parts:

- a couple's allowance (determined by the age of whoever is the oldest of you and your partners)
- and additional allowances for each additional partner.

Other allowances and premiums are added to the personal allowance if they apply.

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. (More information about children and young persons.) 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.

If you have more than one partner (because you are polygamously married) any children who are part of the family will be included in the same way as children of a couple.

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.

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.

There are two family premiums – the family premium and the family premium (lone parent). You will get the family premium if you have a partner or you get the disability premium, or do not qualify for the family premium (lone parent). The family premium (lone parent) is no longer available to new claimants. If you were getting it on 5 April 1998, you may continue to get it providing you remain continuously entitled to CTS as a lone parent, and do not become entitled to a disability premium.

Premiums for disabilities

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

- disabled child premium (for each disabled child in your household)
- and 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)
- and severe disability premium (if you are disabled and live in special circumstances).

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.

Disability premium

Disability premium will be included in your applicable amount if:

- 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.

In this last case it must be the person who is claiming the CTS who is off sick.

Qualifying benefits

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

- Disability Living Allowance
- or Disabled Person's Tax Credit
- or Attendance Allowance
- or Constant Attendance Allowance
- or payment through the Invalid Vehicle Scheme
- or war pensioners' mobility supplement
- or Severe Disablement Allowance
- or Incapacity Benefit – long term rate or short term higher rate paid at the long term rate.

These are known as **qualifying benefits** because they qualify you for the disability premium.

If you do not get a qualifying benefit, you may still get the disability premium if the **52 week rule** applies. This is when you have been sick and incapable for work for 52 weeks. You will need to submit or have submitted medical evidence in support of claims for Statutory Sick Pay and/or Incapacity Benefit to the Benefits Agency for the previous 52 weeks. Claim forms for Incapacity Benefit are available from the council.

If, during the 52 week qualifying period, you cease to be sick for more than eight benefit weeks and then become sick again, a new 52 week period must begin. But if you have qualified for the disability premium by **only** the 52 week rule (that is, you are not blind or getting a qualifying benefit) and you become fit for work, you may not have to wait 52 weeks if you become sick again. The disability premium will be included in your applicable amount as soon as you start sending in medical evidence of your sickness again, as long as:

- the break in your incapacity for work has been eight weeks or less
- and you have new medical evidence of your incapacity for work or you are getting SSP.

Any time you spend in hospital counts towards the 52 week total.

A person who is not getting a qualifying benefit and is terminally ill does not have to qualify for 52 weeks to get the disability premium. They can get it after 28 weeks of incapacity.

If you are making the claim for CTS and you have a partner, you will not get this premium if it is just your partner who is sick and providing medical evidence of incapacity. But in such a case you may get more CTS if your partner is the one who claims.

Backdated qualifying benefit

If you are getting one of the qualifying benefits, you can get the disability premium from the time you started being entitled to that qualifying benefit. If the award of a qualifying benefit is backdated, your disability premium should be backdated, but not earlier than the start of your CTS claim and arrears cannot be paid for more than 52 weeks. You must let the council know as soon as you get a backdated award of a qualifying benefit.

Severe disability premium

This premium cannot be included on its own. You must first qualify for either 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
- and live alone (but if others live with you, see below)
- and no one receives Invalid Care 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 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 (but see below)
- and no one receives Carers Allowance for looking after either one or both of you.

If you are legally married to more than one partner (polygamous marriage) the same conditions must apply for each of your partners.

Other people living in your household

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

- children
- or aged 16-17
- or a person who is registered blind (if a person regains their sight, they are treated as blind for a period of 28 weeks after they cease to be registered blind)
- or receiving the care component of Disability Living Allowance (DLA) at the highest or middle rate, or Attendance Allowance (AA)
- or people caring for you who are employed by a charity that makes a charge for this service
- or landlords/ladies and their partners
- or co-owners or co-tenants with you or your partner.

If you have a partner and one of you goes into hospital for more than four weeks, your DLA or AA will stop but you will continue to get the Severe Disability Premium, if you have already qualified for it, at the single rate.

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). 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

- a rate for couples where at least one member of the couple receives the highest rate of DLA.

Carer 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 on or after 1 October 1990 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.

Combining premiums

There are a small number of ways of getting more than one premium. Disabled child premium, carer premium and severe disability premium can be added to any other premiums. The family premium can be added to any other premium except the family premium (lone parent). You can only get the severe disability premium if you also get the disability premium.

Even if you qualify for more than one of the following premiums you will only be able to get the highest:

- the family premium (lone parent)
- or disability premium
- or bereavement premium.

The enhanced disability premium cannot be awarded to a couple or person getting a pensioner premium but can be awarded for a dependent child/young person who is entitled to it.

If you are a lone parent and get a disability premium you will get the family premium instead of the family premium (lone parent).

Income and capital

The assessment of your CTS entitlement takes into account any resources you may have. These resources can be split into income and capital.

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 CTS (the disregards), or taken fully into account.

Capital means your savings, investments and the value of property and land owned but not occupied by you.

For the purposes of CTS, certain important types of capital are ignored, such as personal possessions and your home. You will not get CTS if your capital is worth more than £16,000.

Your family's resources

Normally, your resources and those of your partner are taken together when your income and capital are worked out. (There are some exceptions which are explained where they apply.)

Other people's resources

If someone lives with you who is classed a non-dependant, the council may want to take their resources into account. This will only happen if the council believes that:

you and the non-dependant have made arrangements to take advantage of the CTS scheme

and the non-dependant has more resources than you have.

In this case the council will not count the resources you actually have, but will count the non-dependant's resources as if they were yours, and work out your benefit on that basis.

If you are getting Income Support or income-based Jobseeker's Allowance, then the council will not apply this provision.

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. Further information explains about self-employed earnings.

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 some 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 (like child minding – but if you are a child minder)
- 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.

Occupational pensions are counted as other income.

Information needed

When the local council assesses your earnings it will need details of:

- your gross pay
- and income tax deductions
- and National Insurance (NI) contributions
- and your contributions to any occupational pension or personal pension scheme.

Average earnings

Most people's earnings change from time to time. When your weekly income is calculated, an average amount may be worked out. If you are paid weekly this average will normally be taken over the five weeks before your claim. If you are paid monthly the average will normally be taken over the two months before your claim.

It will help if you can provide pay slips for the council to work out your average earnings. If you can supply any other evidence of your earnings (for example, a contract of employment letter or pay statement) this will be helpful. The council may approach your employer for information about your earnings.

Variable earnings

In some cases the assessment of your earnings may be made in a different way. These are cases where:

- you occasionally work overtime
- or your earnings are seasonally affected
- or you are about to get a pay rise
- or you get occasional, irregular bonuses or commission.

In these cases the council may have to estimate your likely average weekly earnings over the assessment period.

Starting work

If you have just started work, your income cannot be worked out by taking a five-week or two-month average. In this case your council may take your first pay slip as your average income, or they may ask your employer to give an estimate of your likely weekly earnings.

Net earnings

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

- your income tax payments (allowing for personal relief)
- and 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 CTS.

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.

Earnings from self-employment do not include any payments in respect of a child accommodated with you by arrangement with a local authority or voluntary organisation.

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. If you are not sure how much you earn, or there is some other reason for uncertainty, the council may ask to see any correspondence you have had with the local income tax office, or about your National Insurance (NI) records. If you keep accounts, you should produce these as evidence of gross earnings. The council will use these to estimate your likely income over the forthcoming benefit period.

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, NI, and pension payments are taken away from your net profit to give your net earnings.

Calculating profit

The first stage in working out your earnings from self-employment is to calculate the gross profit of your business. If you have more than one business, the profit from each will be calculated and taken into account separately. If you are in partnership, then only your share of the profits will be taken into account.

In working out the total gross profit of your business the council will not make any deductions for the following amounts in your business records or accounts:

- money you spend on new equipment or to set up or expand your business and any amounts for depreciation or write-off
- domestic or personal expenses not essential for running the business
- money spent on business entertainment or meals
- amounts equal to losses you suffered before your income was worked out for CTS
- amounts equal to losses you have suffered in running other businesses.

Any losses you have during the assessment period will count as nil income. This means that your earnings are not compensated by losses you have made.

Net profit

The next stage in working out your self-employed earnings is to make the following deductions (if they apply) from your gross profit to give the net profit for the business:

- repayments of capital on any loan you have used to repair or replace the things you need for the business – such as tools, plant, equipment, or machinery – to the extent that the cost of the repair was not covered by any insurance payments
- any income you have used to repair the things you need for the business to the extent that the cost of the repair was not covered by any insurance payments
- interest you pay on loans that you took out for the purposes of the business
- the VAT you paid in excess of the VAT you received
- any expenses you have to pay for the purposes of the business
- bad debts (those that have been defaulted).

The net profit is then used as the basis for working out your net earnings from that business.

Net earnings

The council takes away the following from the net profit to give your net earnings from the business:

- the council's calculation of the income tax for which you are liable

- the council's calculation of the National Insurance (NI) contributions for which you are liable. These will be the flat-rate Class 2 or the profit-related Class 4 contributions, or both – see leaflet CA03 National Insurance for self-employed people, Class 2 and Class 4
- half of any contributions you make to an occupational or personal pension scheme.

After these deductions are made, what is left is your net earnings for this business. Your average weekly earnings are then worked out, and at this stage any earnings disregards may be applied.

Information needed

It is up to you to make sure that the council has all the information it needs to work out your earnings for CTS. If your accounts are unlikely to give enough information for the council to work out your earnings, you should keep a note of all your receipts and payments. If you do not have proper records of your business, your council will have to make its own estimate of what your earnings may have been.

Variable earnings

If last year's trading account does not accurately represent your earnings, the council may use a shorter period (for example the last three months) to work out your earnings.

Starting up

In some situations, like when you are setting up a business, you may not have any accounts that the council can use to work out your average weekly earnings. In this case, the council will estimate your likely level of earnings rather than leave you without CTS.

Child minders

If you are a childminder only one third of your earnings from childminding will be taken into account when your council works out your CTS. There may then be a further amount of your income ignored if it qualifies for any earnings disregards – see below.

Earnings and earnings disregards

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

Some disregards apply only to unearned income and capital – these are listed and explained. Listed here are the main disregards that apply to earnings, whether you are employed or self-employed (for childminding see above).

The amount of your earnings that is not counted depends on which premium is included in your applicable amount. There is more information on the applicable amount and premiums.

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).

When £10 is not counted

If you have a partner and you cannot get the £15 disregard by any of the means explained below, up to £10 of your joint weekly earnings will not be counted (the £10 disregard).

When £20 is not counted

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

- the disability premium
- or the severe disability premium
- 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 CTS is worked out. In this case, the £20 of your weekly income that is not counted (the disregard) is taken from your joint income. However, in the case of the carer premium only up to £10 of the 'non-carers' earnings may be disregarded provided that the overall disregard does not exceed £20. 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.

You may be able to get this special disregard if you, or in the case of a couple, you or your partner are doing any of these jobs. If you and your partner are both doing any of the above jobs, your joint income will have a maximum £20 disregard. If you are doing any of these jobs but your partner is not, up to £10 of your partner's weekly earnings can be used to make up your £20 disregard. The maximum disregard of your joint income is still £20 per week.

For example, if you earn £20 a week as a part-time firefighter and your partner earns £10 cleaning, £20 of your income is not counted but all of your partner's is. Or, if you earn £15 a week as a part-time firefighter and your partner earns £10 cleaning, £15 of your income is not counted and £5 of your partner's to make up the £20 maximum disregard.

When £25 is not counted

If you are bringing up children on your own up to £25 of your earnings will not be counted as income.

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) and is presently £14.50. If you qualify, the disregard will be applied to your earnings in addition to those on the previous page.

You will not be able to get the additional disregard if you qualify for it but do not earn enough to benefit from it. If this is the case your WTC can be disregarded, instead, up to the amount of the 30-hour tax credit included in what you receive.

Childcare charges

In certain circumstances, average childcare charges of up to £175 (for one child) or up to £300 for 2 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 is included in the applicable amount on account of the other member's incapacity or the other 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 birthday for children who are entitled to Disability Living Allowance or who are registered blind).

If your earnings are too low to cover the allowable child care charges to be offset against your earnings, then allowable child care charges can be offset against Working Tax Credit (WTC).

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

Income Support or income-based Jobseeker's Allowance

If you are getting the Income Support or income-based JSA then any earnings you get will not be counted again in working out CTS.

Stopping part-time work

If you stopped part-time work (that is, less than 16 hours a week) before the day you claimed CTS, any money you were given on stopping work will not be counted. (It will be counted if the money you receive is a retainer before you start working again or if you receive any Statutory Sick Pay, Statutory Maternity Pay, employer's sick pay or employer's maternity pay while you are off work.)

Earnings overseas

If you have earnings overseas that you are not allowed to bring into this country then that money will not be counted for as long as it is held back there.

Changes in tax and National Insurance

The council may ignore the effects on your earnings of the government's changes in tax or National Insurance rates, for up to 30 weeks. This is because the changes may not be reflected at once in your pay. During this time the changes are actually ignored in the assessment of your earnings – so there will be no backdated changes in your CTS.

Notional earnings

If, when working out your income, the council thinks that you may have more earnings than you say you have, it may estimate the value of earnings you could get. These estimated earnings are called **notional earnings**. The council will not investigate every claim it receives, but it may do so if your income seems to be very low compared with similar work.

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.

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.

Any income paid to a third party in respect of you or a member of your family will be treated as your income if the money is used for any of the following:

- food
- clothing
- footwear
- fuel
- rent
- council tax
- water charges.

Any amounts which are not for these maintenance items will not be counted as your income (for example, money for a child's education).

Any money you or a member of your family get on behalf of someone outside your family will be treated as your income if you keep or use that money or if it is used by or on behalf of any member of the family.

State benefits

The following benefits are counted in full as income for CTS:

- Contribution-based Jobseeker's Allowance
- Incapacity Benefit
- Severe Disablement Allowance
- Carer's Allowance
- Child Benefit (ignored if you or your partner are aged 60 or over)
- Child Benefit (Lone Parent) (ignored if you or your partner are aged 60 or over)
- Industrial Injuries Disablement Benefit
- Industrial Death Benefit
- Working Tax Credit
- Child Tax Credit (ignored if you or your partner are aged 60 or over)
- Bereavement Benefit (ignored if you or your partner are aged 60 or over).

For dependency increases of benefits for an adult or child from whom you live apart.

Department for Education and Skills Training Schemes

If you are on Youth Training or Adult Employment Training and are paid a training allowance, the money you get is normally counted as unearned income and some of that income may be disregarded. However, if you are paid a wage by the company employing you your wage will be taken into account as earnings subject to the normal earnings disregard.

Business Start-up Schemes

If you are self-employed, any regular income that you get from a Business Start-up Scheme is taken into account when working out your earnings.

Unearned income that is not counted

The following types of income are not counted by the council when it works out your CTS:

- any income you get if you are getting Income Support or income-based Jobseeker's Allowance (JSA)
- Disability Living Allowance (DLA)
- Attendance Allowance (AA) or Constant Attendance Allowance (CAA)
- Attendance allowances paid as part of a War Disablement Pension or Industrial Injuries Disablement Benefit
- 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 your 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 out schemes)
- any money you get from a local Social Services Department to help keep a child at home instead of putting them into care
- any transitional payments you get to help if you lost HB from 1 April 1988
- any transitional payments you get if you were previously entitled to Supplementary Benefit, but were not entitled to Income Support from April 1988
- any CTS you get
- any payment or reduction in liability for council tax made under the Council Tax Transitional Reductions Scheme
- 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.

Some types of income may be counted as capital.

Unearned income that is counted in part

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

When your income is worked out, the local council will not count the first £20 per week of:

- A student getting covenanted income
- or the first £15 of Widowed Mother's Allowance or Widowed Parent's Allowance

War Disablement Pension or a War Widow's/Widower's Pension are disregarded in full.

Dependency increases

Any adult or child dependency increase of a social security benefit or war pension payable to you in respect of an adult or child from whom you live apart, and to whom you pay at least an equal amount of maintenance.

Home income plans

Home income plans are schemes for raising income using your home as security to arrange a loan. This loan is invested (an annuity) and the return on the annuity repays the loan, and may provide additional income. In certain circumstances the net loan interest (mortgage interest) under this sort of scheme will not count as your income, but the remaining net income will be counted.

Income from boarders

The first £20 and 50% of the excess of money you receive from a boarder is ignored.

The balance is treated as income.

Adopting children

If you are getting money for adopting a child (including any custodianship allowance) part of that money will not be counted if it is more than the following amounts added together:

- the personal allowance for that child
- and a disabled child premium, if it applies.

If the money you are given is more than these two amounts put together, the excess will not be counted. The rest will be taken fully into account.

Insurance in respect of loans and hire purchase (or similar agreements)

If you have taken out an insurance policy as protection against the risk of not being able to repay certain types of loan (including mortgage protection insurance which is a loan secured on your home), hire purchase and similar agreements, the money you get from this policy will not be counted. However, the money is only disregarded to the extent that it is used to (i) maintain the repayments and (ii) to pay any premiums on the insurance policy and, in the case of a loan secured on your home, an insurance policy taken out to insure against loss or damage to the building.

Capital treated as income

Capital you are paid in instalments will be treated as income if the money you have still to come, when added to other capital you already have, is more than £16,000.

Any money you get from a life or fixed-term annuity is treated as income, but any surrender value is ignored.

Notional income

The council may think that there is income which you could get but you are not claiming it. This is known as notional income because you do not actually receive that income. The council may estimate:

- how much income you could get
- and when you could get it
- and whether you are able to apply for the income.

The sorts of notional income the council may be thinking of are:

- unclaimed employer's sick pay
- or money you could get from the Registrar at a County Court on application
- or money you could get from certain trust funds.

There may be other sources of income that you could use. The council may take any notional income into account as part of the assessment of your available income. Your council will tell you if it thinks these sources of income may be available.

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.

If your contribution has been worked out as part of the student's grant then any amount you contribute will not be counted as your income. It will be calculated to cover the student's period of study, which is usually the term time and the two smaller vacations in between, but not the long summer vacation. For more information on the period of study.

If the student is under 25 and does not get a state grant (or is getting a smaller discretionary award) and you are giving them money to live on, then your income will not include the smaller of either:

- the actual weekly amount you are giving the student
- or the personal allowance for a single person under 25, less the weekly amount of the discretionary award.

Receiving maintenance

If you are entitled to the family premium, the first £15 a week of any money you get from an ex-partner or from the parent of a child or young person, provided that the child or young person is a member of your family, is disregarded. Maintenance payments which go direct to your child are treated as your income. This amount will be added to any other amounts of maintenance and the £15 disregard will apply in the same way. £15 is the maximum that can be disregarded in any week.

Otherwise, any money you get from an ex-partner should continue to be counted in full as income.

Cash in place of free coal

If you are given money in place of free coal, it is counted in full as income.

Arrears of income

A lump sum of arrears of income will usually be treated as income over the period that they would have been treated as income if they had been paid on time. Arrears of some social security benefits are treated as capital and ignored for 52 weeks from the date they are received.

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 do 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 CTS.

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.

Income Support and income-based Jobseeker's Allowance

If you are getting Income Support or income-based JSA, none of your capital will be counted because it has already been counted when your entitlement to Income Support or income-based JSA was assessed.

Social Fund

Any money you get from the Social Fund will not be counted as your capital or your income.

Capital

The first £6,000 of capital is not counted. Capital over £6,000 up to £16,000 will be taken into account at £1 a week for each £250 (or part of £250) of capital over £6,000. Actual interest payments or dividends are not counted as income but as capital.

For example, if you have capital of over £6,000 but no more than £6,250 you would have an amount of £1 taken into account in the calculation of your CTS. If you have capital over £6,250 but no more than £6,500 you would have £2 a week taken into account, and so on.

Capital allowance for people in residential homes

People in certain types of residential accommodation do not have the first £10,000 of capital counted for CTS purposes. Capital between £10,000 and £16,000 will be taken into account at the rate of £1 a week for each £250 (or part of £250) over the £10,000 level.

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 CTS, it may assume that you have notional capital to the value of the capital you disposed of.

If you own your 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 (but you will not be expected to raise loans if you do not wish to).

Property you own but do not occupy

The value of this property is counted as capital but you may be able to get CTS 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.

If you have left the property after the breakdown of a relationship, and it is occupied by your former partner, its value may not be counted for the first 26 weeks after you left. If the property is occupied by your former partner and they are a lone parent, the property will not be counted for as long as it continues to be so occupied.

Deposits on your accommodation

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

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.

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 Great Britain 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.

Grants made under section 128 of the Housing Act 1988

Certain grants made available to extend existing property are not counted for up to 26 weeks or longer, if it is reasonable in the circumstances to enable time to obtain and occupy property or to complete necessary alterations.

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.

Life assurance policies

The surrender value of life assurance policies is not taken into account when assessing CTS.

Arrears of benefits

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

Compensation payments

For CTS purposes, compensation payments will normally be counted in 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.

People aged 60 or over

Compensation Payments made as a result of personal injury are ignored whether or not placed in a trust.

Blind home workers' scheme

Any start-up payments made by a local authority under the blind home workers' scheme to help with the costs of setting up a business from home do not count.

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.

Income that is treated as capital

The following types of income are treated by the local council as your capital:

- the annual bounty of Territorial Army reservists
- tax refunds if you are self-employed, an employed earner, or a company office-holder (Schedules D & E)
- income derived from capital – for example, interest on building society accounts, but only from the date it is due to be credited to the account
- advances or loans from your employer
- holiday pay due more than four weeks after your job finishes.

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 CTS or to get more CTS.

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.

The rules for notional capital do not apply in the following situations:

- if the source is a discretionary trust
- or if the source is a trust set up from money from a payment for a personal injury
- or if the source is funds held by the 'Court of Protection', that derive from a payment for a personal injury
- or where a loan may be secured against capital that you own but which is not counted for CTS – for example a second mortgage on your home
- or where you are waiting for a payment to be made and the date of payment is not within your control.

Diminishing notional capital calculation

If your 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 benefit you have lost as a result of deprivation.

How Council Tax Support is paid

If you are liable to pay the council tax, the council will normally send you a council tax bill from which your Council Tax Support 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.

Where this is not possible because, for example, you have already paid the whole bill, the council may send you a refund of the amount of benefit you are entitled to. In some circumstances, your council may credit your council tax account with any outstanding benefit so that your future instalments will be reduced.

How you will be notified about your benefit

The council will notify you of your entitlement to each benefit. The amount of information included in the decision notices will vary but may include details of your applicable amount, earnings and other income, council tax and deductions for non-dependants. The decision notice will say if you have the right of appeal against the decision.

Checking your Council Tax Support

Your council will send you a decision notice telling you if you can get Council Tax Support (CTS) and how much you will be able to get. This section explains how you can find out more about the decision and what to do if you disagree with the decision.

Information about the decision

If you want more information about the decision you can ask the council to give you an explanation, or a written statement of reasons (if you have not already been sent one). Write to the council asking for a written statement of reasons. Make sure you sign the letter yourself. The council must send you a statement of reasons within 14 days of you asking for one, or as soon as possible after that.

Looking at the decision again

If you think the council has made a mistake in working out your benefit entitlement, you can ask them to look at it again (this is known as an application for revision). Tell the office that sent you the decision letter that you disagree. You must do this within one month of the date of the decision letter, or they may not be able to consider any dispute. The council will check if the decision is correct.

If the decision is wrong

If the decision is wrong it will be changed. If you do not agree with the new decision you can ask for it to be looked at again.

If the decision cannot be changed

If the decision cannot be changed, the council will write to tell you this. The letter will confirm the original decision and tell you whether you can appeal against it. If you can appeal, the one-month time limit starts again from the date of the new letter confirming the decision.

If you want to appeal against the decision

The council will adopt the DCLG appeal guidance for CTS.

Changes in entitlement

Changes of circumstances

This section explains how your entitlement to council tax support (CTS) may change.

You must notify your council immediately if there is a change in anything that might affect your right to or the amount of CTS.

This will include:

- where you live
- or who you live with
- or the Child Benefit you are receiving
- or your income, savings and investments
- or if you stop getting Income Support or income-based Jobseeker's Allowance (JSA)
- or if you get a job
- or if you or your partner go into hospital

The changes must be notified in writing.

Most of these changes will affect your CTS in the following benefit week, but they will take effect at other times in the following cases:

Changes in the amount of council tax payable will affect your CTS from the day on which the change occurs.

Changes made by the Government in income tax or National Insurance (NI) contributions may be ignored by the council for up to 30 benefit weeks after the date on which they take effect (normally the beginning of April). This is because changes like these normally take some time to work their way into your pay.

Changes in regulations for CTS take effect on the same day that the change comes into force.

If there are to be any changes in the amount of CTS you get, the council will let you know

Revised payments

If you think your CTS is wrong and you question it your CTS may be changed. If an increase is backdated, your CTS will be adjusted to take account of this.

Excess Council Tax Support

If you have received too much CTS, for example because your circumstances have changed, the local council will normally want that money repaid. The extra CTS is known as the **excess CTS**. Getting the money back is called **recovery**. Throughout this section the term 'overpayment' is used even though the technical term for overpaid CTS is 'excess CTS'.

Overpaid CTS is a credit to your council tax account.

Recoverable overpayments

Most overpayments can be recovered by the council. The only exception may be when a mistake was made by the council or the social security office and you could not be expected to know that there had been an overpayment.

The following are examples of some recoverable overpayments. The list is not complete, as there are other possible causes of overpayment.

Misrepresentation

If the council has received misleading information from you – whether you intended to mislead or not – then any resulting overpayment can be recovered by the council.

Failure to disclose information

If you do not give the council the information it needs to work out your CTS properly, then any resulting overpayment can be recovered by the council.

Council tax reductions

If your council tax is reduced and that reduction is backdated, your CTS covering that backdated period may have been overpaid. This overpayment may be recovered.

Letting you know

If you have been given too much CTS the council will write to you about the overpayment and tell you:

- the reason for the overpayment
- how much CTS you have been overpaid
- how long you have been given too much
- whether the overpayment will be recovered from your continuing CTS, and, if so, how much at a time.

The council may not write to you about certain technical excess benefits which are as a result of a change in the tax or a late award of council tax transitional reductions.

You can ask to have the decision reviewed.

Amounts ignored

If the council decides that part of the overpayment was caused by official error it will ignore that amount, but only if you could not be expected to know that there had been an overpayment.

If you were overpaid CTS but you pay more than your council tax for the period of the overpayment, the council may deduct an amount equal to the extra you paid when working out an overpayment of CTS.

Undeclared capital

If you said you had less capital than you really had, then you may have been given too much CTS.

If you have been paid too much CTS for 13 weeks or more, the council will use a special calculation to work out how much CTS you have been overpaid. This is because if you had not been paid too much CTS you might have had to use some of your capital to pay your council tax. The council will take this into account in the calculation and so may reduce the amount of the overpayment accordingly.

Methods of recovery

Local councils are responsible for recovering overpayments. They can use a number of methods to do this but CTS cannot be recovered from Housing Benefit. In some cases the council may refer the overpayment to the local social security office to have money recovered from other benefit if:

- the overpayment was caused by misrepresentation or failure to disclose information
- and the council cannot recover the money from continuing CTS (see below).

The following are some of the more usual ways the council may recover overpayments:

By adding to your council tax account

By adding the amount of excess CTS to your council tax account. This means that the overpayment of CTS increases the amount of council tax you have to pay.

Legal action

If the council decides that you can afford to repay an overpayment, as a last resort it may take legal action to recover the money.

Death of the claimant

An overpayment of CTS covering a period before a claimant's death may not be discovered until after their death – for example, through undeclared capital. In this case the council can recover the money from the dead person's estate by writing to the legal representative or executor (if any) of the dead person.

Students

Council Tax Support (CTS) 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. In these cases check with the council to see how your grant will be treated.

Because much of your loan is meant for essential educational items, some of the grant is ignored when working out your income for CTS. 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
- travel expenses.

If you get more money because you have dependants overseas, the extra you get will be ignored.

If you started your course before 1 September 1998, check with the council to see how your grant will be treated.

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 CTS. 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

Other income – for example money from a grandparent – 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 the 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.