

Revenues & Benefits

Council Tax Support – a summary scheme for pension credit age persons and the scheme for working age claimants

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Introduction

The Council Tax Support scheme provides local support to people on low incomes.

Central Government has decided that pensioners will be protected (persons who are of an age where they can claim pension credit) and the amount of help they receive under the Council Tax Support scheme is broadly the same and operates in a similar way to the previous council tax benefit system

The rules of the Council Tax Support scheme divide the persons who can claim support into various classes. The classes or groups are set by Central Government for pensioners and the classes or groups for working age applicants are set by the Council.

The following section shows the classes that are to be in place from 1st April 2017.

The Council Tax Support 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 Support that can be provided:

Class A

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 and support allowance;
- c) Be liable to pay council tax in respect of a dwelling in which they are resident;
- d) Not have capital savings above £16,000;
- e) Must have their assessed income less than or equal to the set living allowances (applicable amounts) set by Central Government; and
- f) Have made a valid application for the support.

The class also includes persons who have successfully claimed pension credit guarantee.

Class B

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 and support allowance;
- c) Be liable to pay council tax in respect of a dwelling in which they are resident;
- d) Not have capital savings above £16,000;
- e) Have made a valid application for the scheme; and
- f) Have assessed income above the set living allowances (applicable amounts) set by Central Government.

Class C

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 and support allowance;
- c) Be liable to pay council tax in respect of a dwelling in which they are resident;
- d) Made a valid application for the scheme;
- e) 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.

What Council Tax Support will be payable to pension age persons?

If a person matches the criteria in class A, including that their income is less than their living allowances (applicable amounts) 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-dependent deductions. This also applies if a person is in receipt of state pension credit guarantee credit from the 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 allowances). 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-dependent deductions.

Council Tax Support for 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.

The Council Tax Support scheme for working age persons

The Council has decided that there will be three classes and they will decide which class each applicant is in. The class will determine the level of Council Tax Support that can be provided:

Class A

To obtain support the individual (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 he, and/or his partner, is a person on income support, on an income based jobseeker's allowance or on an income related employment and 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 the capital limit;
- e) Be a person who's income is less than their living allowances (applicable amount) or the claimant or partner is in receipt of income support, jobseekers allowance (income based) or employment and support allowance (income related); and
- f) Have made a valid claim for support.

Class B

To obtain support the individual (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 have capital savings above the capital limit;
- e) Be a person who's income is more than their living allowances (applicable amount);
- f) Have made a valid claim for support.

Class C

To obtain support the individual 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) Have made a valid claim for support:
- d) Be somebody, who has at least one second adult living with them who is not his partner, not somebody who pays rent, and who is on a prescribed low wage and/or a prescribed benefit.

What Council Tax Support will be payable to working age person?

If a person matches the criteria in class A, including that their income is less than their living allowance (applicable amounts) that person qualifies for 80% reduction on their council tax liability (less any non dependant's deductions). This also applies if a person in receipt of income support, on an income based jobseeker's allowance or on an income related employment and support allowance

If a person matches the criteria in class B, it will mean the person's income is greater than their living allowances (applicable amount). A percentage - called a taper - of the difference between the two will be subtracted from the maximum council tax liability allowed. The Council has decided that for 2017/18, the maximum council tax liability will be 80% of council tax the person is liable to pay (less any non dependant's deductions).

Council Tax Support for 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 maximum council tax liability allowable by the Council, depending on individual circumstances.

How Council Tax Support works

Who can claim?

If you have to pay council tax, you may be able to get Council Tax Support.

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

People given refugee status, humanitarian protection or exceptional leave to remain in the United Kingdom will continue to be eligible for support.

Most full-time students are not entitled to Council Tax Support.

How much Council Tax Support can I get?

Maximum Council Tax Support depends on:

- Whether you are in the pension age scheme (attained the qualifying age for state pension credit) or are in the working age scheme;
- How much council tax you have to pay; and
- Who you live with.

How is maximum Council Tax Support calculated for the pension age scheme?

For the pension 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).

How is maximum Council Tax Support calculated for the working age scheme?

For the working age scheme the maximum Council Tax Support is set by the Council as up to 80% of the council tax you are liable to pay less any non dependant deductions (see non dependant deductions later in this document).

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 are available and the payment is an extra four weeks of support to help pay towards your council tax because you're going back to work, working more hours or earning more money.

You do not 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 jobseekers 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 Council Tax Support 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 directly to your council tax account. The Council will decide whether or not you're entitled to an extended payment. The Council will also consider whether you are entitled to in-work Council Tax Support. Once your extended payment period has ended, you can move onto in-work Council Tax Support (provided you are entitled to it) without having to make a new claim.

If you do not get pension credit guarantee, income support, income based jobseeker's allowance or income related employment & support allowance

Even if you do not get pension credit guarantee, income support, income based jobseeker's allowance 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 allowances or applicable amounts); and
- Your income and capital resources.

Capital

Savings and investments (capital) may have an effect on the assessment of your income. If you are of working age and have more than £6,000, or of pension age and have more than £16,000 you will not normally be able to get Council Tax Support (unless you are aged 60 or over and receive the pension credit guarantee, in which case there is no limit to the amount of capital you can have).

However, even if your capital exceeds the limit, you may be able to claim second adult rebate

Absences from home

There are some special situations in which you may continue to get Council Tax Support 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 us.

If you are temporarily absent within Great Britain you can normally get Council Tax Support 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 Council Tax Support 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.

If you are temporarily absent from Great Britain you can normally get Council Tax Support for up to 4 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 4 weeks.

How to claim

Claims for Council Tax Support should be made in writing. Contact the Council for details.

All claims will need to be supported by evidence of your circumstances and this will need to be provided to the Council. If you are claiming housing benefit as well as Council Tax Support, the Council will provide you with a joint claim form.

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 Council Tax Support. 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

An appointee, for the purposes for Council Tax Support, is someone over 18 appointed by the Council, to manage the Council Tax Support claim of someone who is incapable of doing so themselves (mainly because of mental incapacity).

If you are already an appointee for other benefits and wish to be the appointee for Council Tax Support, you should write to be appointed by the Council. The role and responsibilities are the same. If you wish to become an appointee you should get in touch with the Council they will explain the process and your responsibilities. The 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.

Information and evidence

The Council may need more information or supporting evidence so that they can calculate your Council Tax Support. If all the information they need is not on the claim form, or they need 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.

How long will it take to decide your claim for Council Tax Support?

The Council will deal with your claim for Council Tax Support as soon as possible after receiving all the information from you that they need to work out your entitlement.

Date of claim

The date of claim will be the date of first contact (typically in writing, by telephone, by email or face to face) provided that the claim form is returned to an office of the authority within one month of the claim form being issued.

If you change your address

If you move to a different council area, you must make a new claim for Council Tax Support at your new council. If you move within the same council area, you must still tell the Council.

Backdating a claim

If you are of working age, your claim to Council Tax Support 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. However, for working age customers the maximum time the council can go back is one month 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.

If you have reached the qualifying age for state pension credit your Council Tax Support may be paid for up to three months before the date you made your claim. You do not have to ask for this and you do not have to show "good cause" for not having claimed earlier.

Start of Council Tax Support

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 support from the day you start being liable for council tax. If you claim later than this, your support starts on the Monday after the day you claim.

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

End of Council Tax Support

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 Council Tax Support stops on the day you stop being liable. If you no longer qualify for Council Tax Support because, for example, your income increases or your applicable amount changes, your Council Tax Support will be stopped from the beginning of the next support week.

End of pension credit guarantee, income support, income based jobseeker's allowance, Universal Credit or income related employment & support allowance entitlement

If you stop getting pension credit guarantee, income support, income based jobseeker's allowance or income related employment & support allowance, you must tell the Council and they will have to stop your Council Tax Support. At the same time they will ask you to explain your new circumstances, because you may still be able to get some help with your council tax.

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.

Non dependant deductions

Any non dependants who normally share your accommodation could affect the amount of Council Tax Support you get whether or not you are also getting income support, income based jobseeker's allowance, income related employment & support allowance or pension credit guarantee

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; and
- Tenants of owner occupiers.

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, your Council Tax Support may be affected.

Non dependant deductions from Council Tax Support

Deductions will be made from your Council Tax Support 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. This will also apply if the non dependant is in receipt of income support or income based job seeker's allowance or income related employment & support allowance.

If the non dependant is doing paid work for 16 hours or more a week depend on the non dependant's gross income. A deduction will not be made from your Council Tax Support 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 pension credit; 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 52 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 is aged 65 or more and a non dependant moves into your home, or the non dependants' circumstances change to increase the deduction.

Working out the amount of Council Tax Support

The maximum amount of Council Tax Support depends on:

- Whether you are in the pension age scheme (attained the qualifying age for state pension credit) or are in the working age scheme;
- How much council tax you have to pay; and
- Who you live with.

How is maximum Council Tax Support calculated for the pension age scheme?

For the pension 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.

How is maximum Council Tax Support calculated for the working age scheme?

For the Working Age the maximum Council Tax Support is set by the Council as up to 80% of the Council Tax you are liable to pay less any non dependant deductions.

If you live in a property banded above Band C any Council Tax Support will be based on the Council Tax level of Band C.

If you're weekly Council Tax Support award is less than £2.00 then no Council Tax Support will be paid.

What if I do not receive pension credit guarantee, income support, income based jobseeker's allowance or income related employment & support allowance?

If you do not get pension credit guarantee, income support, income based job seeker's allowance or income related employment & support allowance, the council has to work out if you can get Council Tax Support and if so, how much you can get.

To do this, the Council works out your maximum Council Tax Support, and then compares your needs - called the living allowances or applicable amount - with your resources (your income and capital).

For customers receiving the savings credit of pension credit, the Council will use a statement supplied by The Pension Service to assess your resources (income and capital).

Second adult rebate

Apart from Council Tax Support for yourself, you may also be able to get Council Tax Support if you share your home with one or more adults. This is separate from any Council Tax Support for yourself and is called second adult rebate. Second adult rebates are intended to assist you with the council tax if you share your home with someone who is on a low income. Second adult rebate may be awarded in the following circumstances:

- If you are treated as living on your own for benefit purposes, and share your home on a non-commercial basis with a person who is on a low income and who is not liable to pay the council tax;
- The second adult is aged 18 or over; and
- No other person is paying rent to you for living in your home.

In order to be classed as a second adult, they must not be:

- Liable for the council tax;
- A joint owner or tenant with you;
- Your married or unmarried partner;
- Someone who is disregarded for the purposes of a discount; or
- Living with more than one liable person.

You will need to make a claim for second adult rebate unless you have already claimed Council Tax Support for yourself. The gross income of the second adult will be taken into account when assessing entitlement to second adult rebate.

Gross income includes earnings from employment, as well as other income such as social security benefits and occupational pensions and actual interest from the second adult's capital. Any attendance allowance or disability living allowance paid to a second adult is completely disregarded. You may apply for second adult rebate even if your own capital exceeds the capital limit.

Second adult rebate is awarded on the basis of your council tax bill, after any reductions that you may be entitled to, are deducted. The amount of second adult rebate that can be awarded is as follows;

Second adult	Alternative maximum Council Tax Support*
Where the second adult or all second adults are in receipt of income support, an income related employment and support allowance or state pension credit or are persons on an income based jobseeker's allowance;	25% of the Council Tax due in respect of that day
Where the gross income of the second adult or, where there is more than one second adult, their aggregate gross income disregarding any income of persons on income support, an income related employment and support allowance, state pension credit or an income based jobseekers allowance	Is less than £193.00 per week; - 15% on the council tax due in respect of that day; Is not less than £193.00 per week but less than £235.00 per week: - 7.5% of the council tax due in respect of that day
If the dwelling is occupied by a second adult/adults on state pension-credit, income related jobseeker's allowance income related employment and support allowance or income support, living with a full-time student(s).	100% of the council tax due in respect of the day.

*figures mentioned in b and c above are subject to review each April

Income less than applicable amount

In this case you get maximum Council Tax Support (depending on whether you are of pension age or working age this may vary in amount).

You will also get maximum Council Tax Support if your income is the same as your applicable amount.

Maximum support is your council tax liability (net of any council tax discounts, such as single person discount), adjusted down for any non-dependent deductions.

Income greater than applicable amount

In this case you will get an amount less than your maximum Council Tax Support. The amount by which your Council Tax Support 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 Council Tax Support.

For pension age claimants maximum support is based on 100% of your council tax liability (net of any council tax discounts, such as single person discount), adjusted down for any non dependant deductions. For working age claimants maximum Council Tax Support is set by the Council as up to 80% of the council tax you are liable to pay less any non dependant deductions.

Calculating your needs

Your needs are known as your living allowance or applicable amount and this is an amount that is set each year. For the pension age scheme this is set and approved by Parliament. For the working age scheme this is set by the Council. 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.

Living allowances or applicable amounts

The living allowances or applicable amount represents the needs of you and your family if you have one. The larger your family then 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.

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.

The maximum number of children included in assessments will be two for households with new children born on or after 1st April 2017.

There will be exceptions where there are multiple births after 1st April 2017, where children are adopted or where households merge.

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. The family premium will not be awarded for all new working age applicants for claims made from 1st April 2017.

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.

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 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.

Qualifying benefits

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

- Disability living allowance; or
- Working tax credit disability element; or
- Constant attendance allowance; or
- War pensioners' mobility supplement; or
- Severe disablement allowance; or
- Incapacity benefit - long term.

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; 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 at the highest or middle rate, attendance allowance or constant attendance allowance; or
- Your partner is blind and you receive the care component of disability living allowance at the highest or middle rate, attendance allowance or constant attendance allowance; and
- No one lives with you; and
- No one receives carers allowance for looking after either one or both of 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 at the highest or middle rate, or attendance allowance; or
- People caring for you who are employed by a charity that makes a charge for this service.

Enhanced disability premium

Enhanced disability premium is awarded where you, or a member of your family, who is aged under 60 years receives the highest rate of disabled living allowance or where the claimant is in receipt of employment & support allowance support component. This premium will remain in payment if the disabled living allowance 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 disabled living allowance;
- A rate for a single person who receives the highest rate of disabled living allowance;
- A rate for couples where at least one member of the couple receives the highest rate of disabled living allowance.

Support component

This is awarded where you or your partner receives main phase employment & support allowance and receive a similar component within that benefit.

Carer premium

The carer premium is awarded if either you or your partner is 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.

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

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 taken fully into account.

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

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 mean 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
- 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 (as amended by the employment rights act 1996) when you are not given work because of bad weather, or money you get because of unfair dismissal;
- Money that an employment 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.

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 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

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

Child minders

If you are a child minder only one third of your earnings from child minding will be taken into account when your council works out your Council Tax Support.

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

When £15 is not counted - If you are single and you cannot get a greater disregard by any of the means explained below, up to £15 of your weekly earnings will not be counted.

When £20 is not counted - If you have a partner and you cannot get the £30 disregard by any of the means explained below, up to £20 of your joint weekly earnings will not be counted.

When £30 is not counted - £30 per week of your earnings will not be counted if your applicable amount includes:

- The disability premium; or
- The severe disability premium; or
- A component with employment & support allowance; or
- Or the carer premium (where the carer is working).

If both you and your partner are carers, the total disregard cannot be more than £30. 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 £30 disregard under the above categories, you may still be able to get it if you are:

- A part-time fire fighter; 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.

When £35 is not counted - If you are a lone parent up to £35 of your weekly earnings will not be counted.

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.

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 child minders 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).

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 authority will be able to give you more details.

Figures mentioned are subject to renew each April.

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

If you are in receipt of pension credit guarantee, 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

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.

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.

State benefits

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

- Contribution-based jobseeker's allowance;
- Contribution-based employment & support allowance;
- Universal credit;
- State pension;
- Incapacity benefit;
- Severe disablement allowance;
- Carer' 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).

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 of pension credit, income support, income related employment & support allowance or income based jobseeker's allowance;
- Disability living allowance (personal independence payments from April 2013);
- Attendance allowance or constant attendance allowance;
- Attendance allowances paid as part of a war disablement pension or industrial injuries disablement benefit;
- Child benefit;
- Child maintenance (spousal maintenance is taken into account in part or in full depending on whether you have a child);
- Money you get which takes the place of disability living allowance, attendance allowance, constant attendance allowance, 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 & 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 housing benefit you have received;
- 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.

Unearned income that is counted in 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.

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 take this into account for Council Tax Support purposes

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.

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 Council Tax Support

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.

Capital for working age

The first £6,000 of capital is not counted. If you have capital over £6,000 Council Tax Support will not normally be payable.

Capital for pension age

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 of pension credit there is no upper limit on the capital you can have.

If you have capital over £16,000, you may still be entitled to second adult rebate, as your income and savings are not taken into account. However, the actual income received from the second adult's capital will be taken into account.

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 support. 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.

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.

Property you own but do not occupy

The value of this property is counted as capital but you may be able to get Council Tax Support even if the value of the property means that your savings are more than the capital limit. 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 United Kingdom. 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.

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 Council Tax Support

Arrears of benefits

Any arrears of disability living allowance, 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.

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

Compensation payments

For Council Tax Support 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. For persons of pension age compensation payments made as a result of personal injury are ignored whether or not placed in a trust.

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.

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.

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.

How you will be notified about your Council Tax Support

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

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 Support 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 do 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.

Change of circumstances

You must notify your 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:

- You, or anyone who lives with you, starts or leaves a job;
- Your income, or the income of anyone living with you changes: this includes wages, all benefits, all pensions and tax credit changes etc.;
- Any of your children leave full time education;
- Anyone moves into or out of your home (including children, other adult family or friends, lodgers, sub tenants and if a baby is born etc.);
- You or anyone who lives with you, cease to be entitled to income support, jobseekers allowance, pension credit or employment and support allowance, universal credit;
- You or your partner's capital, savings or investments change;
- You or anyone living with you, becomes a student, goes on a youth training scheme, goes into hospital or a nursing home or goes into prison;
- You move from your address;
- You or your partner are going to be away from home for more than a month;
- You receive any decision from the Home Office about your immigration status;
- Any changes to the level of child care costs you pay;
- If there is any other change in your circumstances which may affect your right to claim 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.

If more Council Tax Support is awarded than you are entitled to, this will be added to your council tax account and a revised bill will be issued.

Students

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

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

Students who are liable to pay the council tax may claim second adult rebate.

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

Other income 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.

Information and information sharing

The Council will use information provided by the Department of Work & Pension and Her Majesty's Revenues and Customs 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 Support, 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 department including the Department of Work & Pensions and Her Majesties Revenues & Customs.

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

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;
- c) Ensure that sanctions are applied in appropriate cases; and
- d) Will seek recovery of any incorrectly paid Council Tax Support.