

**KNOWSLEY METROPOLITAN BOROUGH  
COUNCIL**

**COUNCIL TAX REDUCTION SCHEME**

**2026-2027**

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## Introduction

1. Since April 2013, all council tax billing authorities in England are required to set up a scheme to help people in financial need pay their council tax. Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992 (as amended) requires a billing authority to consider whether to revise its scheme or to replace it with another scheme for each financial year. This document describes the scheme set up by Knowsley Metropolitan Borough Council for the period 1<sup>st</sup> April 2026 until 31<sup>st</sup> March 2027.
2. The scheme is called a council tax reduction scheme because any support usually takes the form of a reduction in council tax liability, and therefore a reduction in the applicant's council tax bill.
3. Although this document provides a comprehensive account of the scheme in Knowsley, further information on those aspects which must be followed in all schemes can be found [here](#) in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (and subsequent amendments).
4. The provisions of this scheme apply to all applicants unless otherwise stated.

## Overview of the scheme

### *Pension-age applicants*

5. The Government has decided that pensioners<sup>1</sup> should have broadly the same level of support that they had in the old Council Tax Benefit scheme. This means that the Council must follow the rules decided by central Government and has no discretion to alter them.<sup>2</sup>
6. Subject to some overall conditions (see paragraph 12 below), there are three groups of pensioners in financial need who the scheme is designed to help:

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<sup>1</sup> See [Annex 1](#) (Glossary) for definitions of 'pensioner' and 'working age'. A pensioner is person who has reached the qualifying age for State Pension Credit and is not (or where there is a partner the partner is not) receiving a working-age income-related benefit. This means that a mixed-age couple where neither the applicant nor the partner is in receipt of working-age income-related benefit are eligible for the pensioner scheme. However, the definition of a pensioner does include those who have reached pension age and are receiving Universal Credit because of the closure of Working Tax Credit.

<sup>2</sup> Set out in the [Council Tax Reduction Schemes \(Prescribed Requirements\) \(England\) Regulations 2012](#) (as amended from 2013 to 2025).

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- those whose income is no greater than the set amount allowed for living expenses; these pensioners qualify for 100% reduction on their council tax bill;
  - those whose income is greater to a certain extent than the set amount allowed for living expenses; these pensioners will have 20% of the difference between their income and the amount for living expenses deducted from the maximum amount of council tax reduction that would otherwise be payable;
  - those where there is 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; these pensioners will see a reduction in their council tax bill of either 7.5%, 15%, 25% or 100%, depending on the circumstances of the second adult living in the household (see [Appendix 2](#)).
7. In the calculation of council tax reduction for pensioners, there is an amount allowed for living expenses which is made up of the following components:
- an amount for the applicant or, if they are a member of a couple, an amount for both of them;
  - if appropriate, an amount for children<sup>3</sup> or young persons who are members of the applicant's family; <sup>4</sup>
  - if appropriate, additional amounts, or premiums, as set out in [Appendix 1](#), for example to cover expenses associated with disability.
8. There are special arrangements for polygamous marriages (see [Annex 2](#)).

### *Working-age applicants*

9. The Council has devised its own scheme for working-age applicants. Subject to some overall conditions (see paragraph 12 below), the working-age applicants in financial need who the scheme is designed to help are those whose monthly earnings are within any earnings band prescribed by the Council as set out in the table below. In cases where any award calculated is less than £3.00 per week, no award shall be made. Where a change in earnings results in a change in entitlement of less than £3.00 per week (positive or negative), no change will be applied until the cumulative amount exceeds £3.00 per week.

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<sup>3</sup> An applicant is treated as responsible for a child or young person who is normally living with them. Where a child or young person spends broadly equal amounts of time in two separate households, or if there is a question as to which household a child or young person lives in, the person who receives Child Benefit (or who has applied for Child Benefit) in respect of that child or young person is treated as responsible. In the absence of a Child Benefit claim, the person who has primary responsibility is treated as responsible. For the purposes of this scheme, only one person can be responsible for a child or young person in any one council tax reduction week.

<sup>4</sup> The number of children or young persons included in the calculation for pensioners was limited to two from 1st April 2018, but this limitation is removed from April 2025. This follows amendments to the prescribed requirements regulations.

Band	% support	Single adult households	Couples
1	84%	Households with £0 earnings (Includes households in receipt of benefits with no earnings from paid employment)	
2	64%	Net earnings of less than £120+child additions*	Net earnings of less than £140+child additions*
3	44%	Net earnings of less than £200+child additions*	Net earnings of less than £220+child additions*
4	20%	Net earnings of less than £300+child additions*	Net earnings of less than £320+child additions*

\* Child additions of £20 per child (no cap on numbers)

10. The weekly earnings to be applied are based on the earnings of the applicant and, where appropriate, their partner. The percentage amount of reduction awarded depends on where the applicant's earnings fall in the ranges listed in the table. The net weekly earnings of those applicants who do not receive Universal Credit are calculated in accordance with [paragraphs 14-19](#) of this scheme. For applicants receiving Universal Credit, the amount of earnings determined by DWP in the assessment of Universal Credit is used in the calculation, in accordance with [paragraphs 20-22](#) of this scheme.
11. In addition, households living in a property in a higher council tax band than band C are restricted to the amount of council tax liability for a band C property.
12. The overall conditions for all applicants to receive financial assistance from the scheme are that they:

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- live in the property as their main home; and
- are liable to pay council tax; and
- meet the residence rules; and
- have capital not exceeding £16,000 and
- have made an application for assistance from the scheme.

### Calculation of earnings – working-age applicants<sup>5</sup>

13. The earnings of an applicant's partner are treated as belonging to the applicant.

**(Paragraphs 14-19 apply to working-age applicants not receiving Universal Credit)**

#### *Earnings from employment*

14. In the calculation of council tax reduction, an applicant's net earnings are taken into account, after deductions have been made from their gross earnings for: income tax, class 1 National Insurance contributions, and 50% of contributions to occupational or personal pension schemes.
15. Where a working-age applicant not receiving Universal Credit has earnings from employment, the weekly amount of earnings is calculated using an average that the Council considers to be a fair representation of the applicant's contractual income, covering a period of no more than 52 weeks (not including earnings received from more than one financial tax year).
16. Earnings are taken into account from the date of application even if they were not received during the week of application. Where an applicant starts work after an application for council tax reduction has been made, earnings are taken into account from the first reduction week after they began work, even if they were not actually received in that week. Similar arrangements are made when earnings change. In the case of an applicant who moves from benefit to paid employment, any change in banding will be delayed until the start of the next financial year.
17. See [Annex 4](#) for the definition of earnings as an employed earner.

#### *Self-employment*

18. An applicant for council tax reduction is treated as self-employed<sup>6</sup> if they are gainfully employed but not as an employed earner.

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<sup>5</sup> See [Annex 3](#) for the calculation of earnings and other income for pensioners.

<sup>6</sup> See [Annex 1](#) (Glossary) page 33

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19. Where an applicant is self-employed, weekly earnings are estimated over a reasonable period but no more than over 52 weeks. Self-employed applicants, whether or not they receive Universal Credit, are treated as having a certain level of earned income (known as the Minimum Income Floor<sup>7</sup>). See [Annex 5](#) for a description of how self-employed earnings are calculated, including the Minimum Income Floor.

### Treatment of earnings for applicants receiving Universal Credit

20. For applicants receiving Universal Credit, the scheme uses the assessment of earnings in the Universal Credit claim<sup>8</sup>, which is provided to the Council by the Department for Work and Pensions. However, if the Council considers that the assessment of earnings provided by DWP is inaccurate, for example because of fraud, the Council may substitute the DWP figure for its own figure. In doing this the Council would calculate the earnings based on the evidence available in the same way as described in paragraphs 14 to 19.
21. The amount of earnings which relates to the relevant Universal Credit assessment period<sup>9</sup> is taken into account. If an applicant ceases to be entitled to Universal Credit because of an increase in their earnings, the amount of earnings used in the current Universal Credit assessment period is taken into account until evidence of the new level of earnings is received by the Council.
22. Monthly figures are converted to weekly figures by multiplying by 12 and dividing by 52.

### *Other income*

23. Income other than earnings (including Universal Credit) is ignored in the calculation of council tax reduction for working-age applicants – the reduction to be applied is based entirely on earnings. The exception to this is superannuation / private pensions for working age applicants who do not receive universal credit. This income will be treated under the earnings rules. Service attributable pensions in respect of war disability are disregarded in full for working age applicants. For pensioners, most income is taken into account unless specified. See [Annex 3](#).

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<sup>7</sup> See [Annex 1](#) (Glossary) page 31

<sup>8</sup> The calculation of income and capital in Universal Credit is set out in Part 6 of the [Universal Credit Regulations 2013](#).

<sup>9</sup> The assessment period is a monthly period which starts on the day a person makes a claim for Universal Credit. Payment of Universal Credit is usually made a week after the end of each assessment period.

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24. If it appears to the Council that an applicant has come to an arrangement with a non-dependant member of the household specifically to take advantage of the council tax reduction scheme, where the income and capital of the non-dependant exceeds that of the applicant, the income and capital of the non-dependant is treated as if it were the applicant's, and the applicant's income is ignored.

### Treatment of capital

#### ***(Paragraphs 25-32 apply to pensioners and working-age applicants not receiving Universal Credit)***

25. The figure for capital used in the assessment of Universal Credit may also be used for the calculation of council tax reduction, but the Council will use its own figure where it considers it more appropriate to do so.
26. If an applicant has more than £16,000 in capital, no council tax reduction is applied under this scheme.
27. All capital is taken into account in the calculation of the award, including income treated as capital, unless it is listed in [Appendix 5](#) in which case it is ignored. The capital of a child or young person<sup>10</sup> who is a member of the applicant's family is also ignored. The capital of an applicant's partner is treated as if it belonged to the applicant.
28. Certain types of income are treated as capital (and vice versa). See [Annex 7](#) for a full list.

### *Notional capital*

29. If an applicant deliberately disposes of capital in order to obtain council tax reduction, it is assumed that the applicant still possesses that capital, and it is therefore taken into account. This notional capital is reduced over time<sup>11</sup> by the amount that the applicant would have received in council tax reduction if they had not been treated as having that capital. With certain exceptions, where an applicant fails to realise capital which they own, that capital is also taken into account. Most payments of capital made to a third party on behalf of the applicant are taken into account.<sup>12</sup>

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<sup>10</sup> See [Annex 1](#) (Glossary) page 35

<sup>11</sup> The Council will make calculations every thirteen weeks.

<sup>12</sup> See paragraphs 34 and 35 of Schedule 1 to the Council tax reduction Schemes (Prescribed Requirements) (England) Regulations 2012.

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### *Calculation of capital*

30. Capital which an applicant possesses in the United Kingdom is calculated at its current market or surrender value less:
  - 10% if there are expenses attributable to its sale, and
  - the amount of any monetary claim secured against it.
31. Capital which an applicant possesses outside the United Kingdom is treated in the same way except that it is calculated:
  - at its current market or surrender value in that country if it can be transferred to the United Kingdom; or
  - if it cannot be transferred to the United Kingdom, at a price which it would realise if it were sold in the United Kingdom to a willing buyer, less:
    - 10% for sales costs, if appropriate, and
    - the amount any monetary claim secured against it.
32. Where an applicant owns capital jointly with one or more persons, each share is treated as equal unless there is evidence to the contrary.
33. Where a pensioner applicant has capital exceeding £10,000, income of £1 is assumed for every complete £500 up to a maximum of £16,000. In making this calculation, if the final part of the excess is not a complete £500, an income of £1 is nevertheless taken into account.

### Calculation of council tax reduction

#### *Maximum council tax reduction*

34. Council tax is calculated on a daily basis. For any day for which a pensioner applicant is liable to pay council tax, the maximum amount of council tax reduction is 100% of the amount of council tax set by the council for the applicant's dwelling, less any appropriate discount, divided by the number of days in that financial year. For any day for which a working-age applicant is liable to pay council tax, the maximum amount of council tax reduction is 84%, reducing as earnings increase in accordance with the table at paragraph 9, except that households living in a property in a higher council tax band than band C are restricted to the amount of council tax liability for a band C property.
35. For working-age applicants, the calculation of council tax reduction is made in the following order:
  - a. the actual liability for council tax, capped at a band C property charge;

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- b. apply the maximum council tax reduction in accordance with the table at paragraph 9;
- c. apply any non-dependant deductions set out in paragraph 47.

### *Where income is more than the amount for living expenses (pensioners only)*

36. Where a pensioner applicant's income is greater than the amount allowed for living expenses in their case, council tax reduction is withdrawn gradually (sometimes known as the taper) as income increases, until entitlement is extinguished altogether.<sup>13</sup> This avoids a cliff-edge effect of suddenly ending all support as soon as income becomes greater than the amount for living expenses.
37. For example, if an applicant's weekly maximum council tax reduction is £15, and the amount for living expenses in their case is £100 a week, they are entitled to maximum support of £15 providing their income is not greater than £100. If their income increases to £120, a sum equal to 20% of the difference between their income (£120) and the amount for living Expenses (£100) is deducted (20% of £20 = £4) from their Maximum council tax reduction, so they receive £15 less £4 = £11 a week. If their income increases further to £180, the amount deducted from their maximum council tax reduction is £16 (20% of £80 is £16) and there is, therefore, no entitlement to council tax reduction because £16 is greater than the maximum of £15.

### *Other aspects of the calculation*

38. In calculating the amount of council tax reduction, fractions of less than half a penny are rounded down and fractions of half a penny or more are rounded up.
39. Where an applicant is jointly liable for council tax with other residents at the same dwelling, the council tax set by the authority (less any discount) is divided by the number of people jointly liable and the applicant's council tax reduction is based on their share. This does not apply in the case of a student where they are excluded from entitlement to council tax reduction, or a partner of the applicant.

### Non-dependant deductions

40. A non-dependant is a person living as a member of the applicant's household who is not their partner or a child/young person for whom they are responsible. There are certain exceptions such as joint-occupiers, boarders and paid carers, who are not

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<sup>13</sup> See paragraph 6 above. Council tax reduction is withdrawn at the rate of 20% of the difference between an applicant's income and the amount allowed for living expenses.

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treated as non-dependants. Non-dependants aged 18 or over are usually expected to contribute to household expenses such as council tax.

41. In the case of non-dependant couples only one deduction is made, but all their gross income is taken into account.
42. Where there is joint liability for council tax in a household, other than joint liability between an applicant and their spouse or civil partner, and there is a non-dependant who is a non-dependant of two or more of the liable persons, the deduction is divided equally between the liable persons. If the non-dependant is a nondependant of one liable person, the full rate of the deduction is applied solely to that liable person.
43. No non-dependant deductions are applied if the applicant or their partner:
  - is severely sight-impaired or blind;
  - is receiving Attendance Allowance, the care component of Disability Living Allowance, the daily living component of Personal Independence Payment, or an Armed Forces Independence Payment, or a Pension Age Disability Payment, including where these benefits and payments are temporarily suspended, for example through hospitalisation.

### *Non-dependant deductions for pensioners*

44. For pensioners, the weekly deduction for a non-dependant aged 18 or over in work is normally £15.95 and for a non-dependant aged 18 or over not in work, £5.20. However, where the applicant can demonstrate that a non-dependant in work has relatively low gross weekly earnings, the deduction is as follows:
  - less than £279.00, the deduction is £5.20.
  - not less than £279.00, but less than £485.00, the deduction is £10.60.
  - not less than £485.00, but less than £605.00, the deduction is £13.30.
45. No non-dependant deductions are applied where the non-dependant:
  - normally lives elsewhere;
  - is receiving a training allowance paid as part of a youth training scheme;
  - is a full-time student;
  - has been a hospital in-patient for more than 52 weeks;
  - is not living with the applicant because they are a member of the armed forces away on operations;
  - is receiving a payment for a disability caused by the Thalidomide drug;
  - is receiving Income Support, State Pension Credit, income-based Jobseeker's Allowance or income-related Employment and Support Allowance;

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- is entitled to an award of Universal Credit where the award is calculated on the basis that the non-dependant does not have any earned income;
- is a person disregarded for the purposes of council tax discount.

46. In calculating a non-dependant's income, the following are ignored:

- Attendance Allowance, Disability Living Allowance, Child Disability Payment, Personal Independence Payment, Adult Disability Payment, Pension-Age Disability Payment or Armed Forces Independence Payment;
- payments made under certain specified trust funds and compensation schemes<sup>14</sup> including analogous payments.

### *Non-dependant deductions for working-age applicants*

47. For working-age applicants, a standard deduction is applied for non-dependants aged 18 or over. The deduction is £4.00 per week for those who are not working and £10.00 per week for those who are working.

48. No non-dependant deductions are applied where the non-dependant:

- normally lives elsewhere;
- is receiving a training allowance paid as part of a youth training scheme;
- has been a hospital in-patient for more than 52 weeks;
- is not living with the applicant because they are a member of the armed forces away on operations;

### ***(Paragraphs 49 to 116 of this scheme generally apply to all applicants)***

#### Temporary Absences

49. An applicant can be regarded as living in their home and therefore eligible for council tax reduction even if they are temporarily absent for certain periods. Council tax reduction is payable during periods of temporary absence if the applicant:

- is liable for council tax and the address they are temporarily absent from is their sole or main residence;
- intends to return to live in their home;
- is not letting or sub-letting that part of the home that they normally occupy;
- is unlikely to be away for more than the time allowed (see below).

50. In calculating the period of absence, the first day of absence is included and the day of return is excluded.

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<sup>14</sup> See paragraph 8 (9) and (10) of schedule 1 to Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 for a full list of trust funds and compensation schemes.

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51. With one exception (see paragraph 52), a period of absence from home must not be (or must not be expected to be) more than 13 weeks. However, this is extended to 52 weeks where the applicant is:
- a remand prisoner awaiting trial or sentence;
  - living in a bail or probation hostel, or bailed to live away from home;
  - a hospital patient (or similar medical institution);
  - receiving (or whose partner or child is receiving) medically approved treatment or care, in accommodation other than residential accommodation;
  - providing medically approved care to someone else, or caring for a child under 16 whose parent or guardian is away from home because they are receiving medically approved care;
  - absent because of fear of violence in the home or domestic abuse;
  - on an approved training course;
  - a student who is eligible for council tax reduction and they have to study abroad as part of their course;
  - in a residential care home, other than on a trial basis.
52. A period of absence from home outside Great Britain must not be (or must not be expected to be) more than 4 weeks.<sup>15</sup> However, if the applicant is absent from Great Britain because of the death of a close relative and it is unreasonable for them to return within the first 4 weeks, the Council may decide that council tax reduction can be paid for up to 8 weeks.
53. The 4-week period can also be extended to 26 weeks where the applicant is:
- a member of the armed forces on operations overseas;
  - receiving medical treatment in hospital or similar institution;
  - absent because of fear of violence in the home or domestic abuse;
  - undergoing (or their partner or dependent child is undergoing) medical treatment or medically approved convalescent care in accommodation other than residential accommodation;
  - a mariner or continental-shelf worker.

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<sup>15</sup> In the case of absences outside Great Britain, the period of temporary absence for pensioners was reduced from 13 weeks to 4 weeks by the [Council Tax Reduction Schemes \(Prescribed Requirements\) England Amendment\) Regulations 2016](#). The Council has decided to apply this policy change to working-age applicants.

<sup>18</sup> Extended reductions for working-age applicants receiving any of the benefits specified in paragraph 54 will no longer apply once all those applicants are receiving Universal Credit.

Extended support - the run-on

54. Extended council tax reduction (sometimes known as the run-on) can be awarded to working-age people<sup>18</sup> who have been (or their partners have been) receiving Income Support, income-based Jobseeker's Allowance or income-related Employment Support Allowance for at least 26 weeks, and who come off that benefit because they or their partners start employment as an employed or self-employed earner, or increase their hours or earnings, where that employment is expected to last 5 weeks or more. This also applies to those, including pensioners, who were receiving certain contributory benefits which end for the same reason. The qualifying contributory benefits are Incapacity Benefit, contributory or new-style Employment and Support Allowance, and Severe Disability Allowance. The qualifying rules are broadly the same as for those coming off income-related benefits.
55. Extended support can be made for up to 4 weeks starting from the beginning of the week after entitlement to a qualifying benefit ends. Support lasts for 4 weeks unless the applicant's liability for council tax ends first.
56. The amount of the extended payment is usually the amount that the applicant was entitled to during the last week that they were receiving a qualifying benefit. However, if for any reason entitlement to council tax reduction after the change of circumstances is higher, the higher amount is paid.
57. Where an applicant who is entitled to extended support moves from one local authority to another, extended support may take the form of a payment from one local authority to the other, or directly to the applicant. The amount of extended payment remains the same, that is, the amount payable in respect of the last week before entitlement to a qualifying benefit ceased. Where an applicant continues to be liable for council tax, the second authority must reduce the new amount of council tax reduction by the amount of the extended support already awarded.
58. Entitlement to council tax reduction does not end until the end of the extended support period, even if entitlement would otherwise have ended based on the applicant's new circumstances. The general rules for calculating changes of circumstances do not apply.
59. In order to ease the transition to retirement, an applicant will continue to receive a council tax reduction for a period of 4 weeks from the day after a claim for a working-age income-related benefit has ceased because they have reached the qualifying age for State Pension Credit, or for four weeks after their partner has claimed State Pension Credit.

People treated as not in Great Britain

60. Council tax reduction is payable only to those applicants who live in Great Britain and, in some circumstances, people are treated as if they are not in Great Britain and are therefore excluded from the scheme. This applies where they do not satisfy the habitual residence test and where they are subject to immigration control.
61. The habitual residence test is in two parts: first, an applicant must show that they are habitually resident (intend to settle and make their home in the UK, Channel Islands, Isle of Man, or the Republic of Ireland). Secondly, EEA nationals (people from EU countries together with Norway, Iceland, Switzerland and Liechtenstein) must have a legal right to live in the UK and claim benefits, i.e. a 'right to reside' in the UK (known as the residence rules). These rules are satisfied if the applicant is, for example:
- a worker or is self-employed in accordance with the EEA regulations;<sup>16</sup>
  - a family member of such a worker or self-employed person;
  - a worker who has ceased activity, for example because of retirement or incapacity, or a family member of such a worker;
  - a family member of a deceased worker;
  - a refugee;
  - is receiving Income Support, income-based Jobseeker's Allowance, income related Employment and Support Allowance or Universal Credit (but this does not apply if a new applicant is receiving income-based Jobseeker's Allowance and their right to reside was decided only on the basis that they were a jobseeker or the family member of a jobseeker).
62. However, there are some circumstances in which EEA nationals have been granted leave to enter or remain in the United Kingdom but who do not satisfy the habitual residence test for the purposes of applying for council tax reduction. An EEA national who is a jobseeker is not treated as having the right to reside for the purposes of applying for council tax reduction simply by being a jobseeker. With some exceptions in respect of Northern Ireland, EEA nationals who are granted leave to enter, or remain in, the United Kingdom solely as a result of satisfying the special immigration rules that allowed EEA citizens to remain in the UK after the withdrawal from the EU (the settlement scheme), do not satisfy the habitual residence test simply because of these provisions.<sup>17</sup>

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<sup>16</sup> [The Immigration \(European Economic Area\) Regulations 2016](#). These regulations were repealed in 2020 but some provisions, including definitions, were retained under the [Citizens' Rights \(Application Deadline and Temporary Protection\) \(EU Exit\) Regulations 2020](#).

<sup>17</sup> See regulation 12 of the Council Tax Reduction) Prescribed Requirements (England) Regulations 2012, paragraphs 4, 4A and 4B, for a full list of circumstances where an applicant has been given leave to enter or remain in the UK but who does not satisfy the habitual residence test.

63. British citizens returning to the UK after a period of living or working abroad have an automatic right to reside in the UK, but they do need to show that they are habitually resident in the UK.
64. An applicant who has entered the UK from Afghanistan is treated as habitually resident in the UK if they:
- have been granted leave to remain in accordance with the Afghan Relocations and Assistance Policy, the Afghan Citizens Resettlement Scheme or the previous scheme for locally employed staff in Afghanistan; or
  - left Afghanistan in connection with the collapse of the Afghan government that took place on 15 August 2021.
65. An applicant who has entered the UK from Ukraine is treated as habitually resident in the UK if they:
- were living in Ukraine immediately before the 1st January 2022 and left Ukraine in connection with the Russian invasion which took place on 24th February 2022; and
  - have been granted leave to enter or remain in accordance with the immigration rules; or
  - have a right of abode in the United Kingdom because they are British or in some cases Commonwealth citizens, or do not require leave to enter or remain because they are Irish citizens.<sup>18</sup>
66. An applicant who has entered the UK from Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon is treated as habitually resident if they:
- were living in any of the above areas immediately before 7<sup>th</sup> October 2023 and left those areas in connection with the Hamas terrorist attack in Israel on 7<sup>th</sup> October 2023 or the escalating violence in the region following the attack;
  - have been granted leave to enter or remain in accordance with the immigration rules; or
  - have a right of abode in the United Kingdom because they are British or in some cases Commonwealth citizens, or do not require leave to enter or remain because they are Irish citizens.
67. An applicant who has entered the UK from Sudan is treated as habitually resident if they:
- were living in Sudan before 15<sup>th</sup> April 2023 and left in connection with the violence on 15<sup>th</sup> April 2023 in Khartoum, and across Sudan;

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<sup>18</sup> As defined in sections 2 and 3ZA of the [Immigration Act 1971](#).

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- have been granted leave to enter or remain in accordance with the immigration rules; or
  - have a right of abode in the United Kingdom because they are British or in some cases Commonwealth citizens, or do not require leave to enter or remain because they are Irish citizens.
68. An applicant is also treated as habitually resident if they have been granted, or are deemed to have been granted, leave outside the rules made under section 3(2) of the [Immigration Act 1971](#).
69. Non-EEA and non-UK nationals may be subject to immigration control and an applicant who is subject to immigration control is excluded from applying for council tax reduction. For example, this applies where an applicant:
- needs permission to enter or remain in the UK but does not yet have permission;
  - has permission to enter or remain in the UK, but only if they do not claim benefits or use other public services;
  - has been given permission to enter or remain in the UK because someone formally agreed to support them.

### Students

70. A property that is wholly occupied by full-time students, for example a hall of residence, is exempt from council tax. Most students are not eligible for council tax reduction but some students who are liable for council tax can get support in specified circumstances. See [Annex 8](#) for a full account.

### Effective dates

#### *Date entitlement begins*

71. An applicant's entitlement to council tax reduction normally begins from the start of the reduction week (Monday to Sunday) which follows the date of application.<sup>19</sup> However, if an applicant becomes liable for council tax for the first time<sup>20</sup> in respect of a property in which they reside, and they are entitled to council tax reduction, their entitlement begins from the first day that they are legally liable to pay council tax, providing they apply within a month of that reduction week.
72. Where, following the death of a partner who was receiving council tax reduction until the date of death, an applicant or their partner (or a non-dependant who was

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<sup>19</sup> See [paragraph 80](#) for a definition of when an application is treated as made in the case of applicants receiving Universal Credit.

<sup>20</sup> including those liable to pay council tax for the first time in their home, for example after an exemption ends, as well as those who move into a property where they become liable to pay council tax.

living in the deceased applicant's household) applies for council tax reduction within three months from the date of the applicant's death, entitlement begins from the date of death.

*Date from which changes in circumstances take effect*

73. Changes in circumstances take effect from the Monday following the date of change, apart from these exceptions:

- changes in an applicant's income arising from legislative changes affecting rates of income tax, personal tax reliefs, National Insurance contributions, and tax credit rates are ignored for a period of up to 30 weeks;
- where entitlement to a benefit ceases, excluding Universal Credit, the change takes effect from the first day of the reduction week following the day immediately after the benefit ceases;
- in the case of applicants receiving Universal Credit, where entitlement to Universal Credit either starts or ceases, or where there is a change in the Universal Credit award, the change takes effect from the Monday following the

start of the Universal Credit assessment period<sup>21</sup> in which the change takes place;

- a change in the amount of council tax payable takes effect from the date of change;
- if an applicant notifies the Council of a change of address in the Council area within one month of the date on which the move took place, any change in the amount of council tax reduction is effective from the date of change;
- an applicant has a duty to notify changes in circumstances within a calendar month of the date of change (see paragraph 94). Where a change is notified more than a month after the change occurred, a beneficial change usually takes effect from the date of notification. But where an applicant is required to notify a change of circumstance and:
  - (a) the change is notified more than one month after the change occurred, or such longer time as the Council considers reasonable – with an absolute 13 month time limit, and
  - (b) it was reasonable for the change to be notified within this later period, and
  - (c) the new decision on the reduction is advantageous to the applicant, the change in the amount of council tax reduction takes effect from the date the change occurred.

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<sup>21</sup> The assessment period is a monthly period which starts on the day a person makes a claim for Universal Credit. Payment of Universal Credit is usually made a week after the end of each assessment period.

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- a change in the amount a person is liable to pay by way of council tax (for example changes to a discount) also takes effect from the date of change;
- if the change applies to an applicant who now has a partner, or a partner has died, or they have separated, it takes effect from the date of the change;
- backdated payments of income are generally taken into account over an appropriate period as if they had been paid on time.

74. Where a non-dependant joins a pensioner household, or where the non-dependant's earnings increase, the change to that pensioner's council tax reduction takes effect 26 weeks after the date on which the change took place.
75. Where an applicant receives an increase in State Pension Credit and, as a result, their award of council tax reduction increases, the change usually takes effect from the week the amount of State Pension Credit alters. However, where an award of council tax reduction decreases, the change either takes effect from the week the authority is notified of the change in State Pension Credit or the date on which State Pension Credit changes if this later.
76. Where two or more changes occur in the same week, and at least one of which is treated as taking effect from the date of change in accordance with paragraph 73, all

the changes are deemed to take effect from the date of change (or the earliest date of change where two or more changes satisfy paragraph 73).

### Application procedure /online applications

77. Only one partner in a couple (or a polygamous marriage) can apply for council tax reduction in respect of the same dwelling. If the partners cannot agree who should apply, the Council will decide for them.
78. Where a person who is liable to pay council tax is unable to act for themselves, and someone has been appointed to act on their behalf (for example an attorney), the person appointed can make an application on behalf of that person. Where there is no-one to act on the person's behalf, the Council may appoint someone to act. An appointee must be aged over 18 and must apply for the appointment in writing or online. The Council may accept as an appointee someone who has already been appointed by the Department for Work and Pensions to act in respect of a social security benefit. The Council has the power to revoke the appointment at any time and the appointee may resign on giving 4 weeks' notice. If, subsequently, another person is authorised to act on the applicant's behalf (for example, an attorney) the former appointeeship ceases. The appointee must take full responsibility for all

aspects of the application and is made fully aware by the Council of the duties involved, including the consequences of failing to comply with those duties.

79. An application may be made:
- in writing; or
  - online; or
  - by telephone, although the applicant will subsequently need to provide a signed statement and any other documentation necessary to support the application.

If an applicant has difficulty in completing a written form, the Council can make alternative arrangements to assist.

80. Where the Department for Work and Pensions notifies the Council that an award of Universal Credit has been made for the first time following a Universal Credit claim, the Council automatically treats this notification as an application for council tax reduction. Where appropriate, for example in the case of pensioners, the Council will treat a claim for Housing Benefit as an application for council tax reduction as well, unless the applicant decides not to pursue the application.

81. An application made in writing must be made to the Council office on a form provided by the Council free of charge. Where an application is made on the correct form but is not properly completed, the Council may ask the applicant to complete the form correctly. Where an application is made in writing but not on the correct form, the Council may either supply the applicant with the correct form or ask for further information and evidence.

82. An applicant may amend or withdraw an application, in writing, at any time before a decision has been made.

83. If an application is made online and the Council considers that all the required information has not been provided, the Council will give the applicant the opportunity to provide the required information.

*Date on which an application is made*

84. The date to be taken as the date on which the application is made is normally the date the application is received by the Council, or the date the applicant first notified the Council of their intention to apply, if this is followed up within one month by a properly completed application. There are some exceptions to this general rule:
- if an applicant has been awarded State Pension Credit which includes a guarantee credit, Income Support, income-based Jobseeker's Allowance, income related Employment and Support Allowance, and the council tax reduction application is received within one month of the claim for any of the above-listed benefits, the

date of application for council tax reduction is the first day of entitlement to one of those benefits;

- where a working-age applicant becomes liable for council tax for the first time, and the council tax reduction application is received within one month of becoming liable, the date of application for council tax reduction is the date on which council tax liability begins.
- where a person's council tax banding notification is delayed on moving into a new property, and an application for council tax reduction is made within one month of receiving the banding notification, or the date liability is set up, whichever is later, the date of application is treated as the date on which council tax liability begins;
- if an applicant (or where appropriate DWP) notifies the Council of a change of address into the Council area within one month of the date on which the move took place, the date of application for council tax reduction is treated as the date the change of address took place;
- where a couple's relationship comes to an end either due to separation or the death of one of them and the former partner was entitled to council tax reduction and the application is made within three months of the death or separation, the date of application for council tax reduction is the date of death or separation;
- where an application is not properly completed and is corrected within one month (or longer if the Council considers reasonable) the date of application is the date on which the first contact is made. If the incomplete application is not corrected within one month or other reasonable period, the date of application for council tax reduction is the date when sufficient information becomes available to decide the application;
- if an applicant or their partner is receiving Universal Credit when they become liable for council tax for the first time, and the council tax reduction application is received within one month of becoming liable, the date of application for council tax reduction is the date on which council tax liability begins;
- where an applicant or their partner has made a claim for Universal Credit, the application for council tax reduction is treated as made on the first day of the Universal Credit assessment period if:
  - the application is received within one month of the decision to award Universal Credit; or
  - a notification that is used to apply for council tax reduction is received within one month of the decision to award Universal Credit, and an application is subsequently received within one month of the intention to apply; or

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- an application is received within one month of an invitation to apply following receipt of a Universal Credit award notice from the Department for Work and Pensions (see paragraph 80); or
- the applicant is no longer entitled to council tax reduction because of a change in circumstances but becomes re-entitled within six months.

### *Advance applications*

85. An applicant may apply up to 8 weeks in advance if they anticipate that they will become liable to pay council tax during that period. The application is treated as made on the day on which liability for council tax begins.
86. Other than where an applicant is a person treated as not being in Great Britain, the Council may treat an advance application as made in the reduction week before the first week of entitlement to council tax reduction. This applies where an applicant is not entitled to council tax reduction in the week after the actual date of application, but the Council considers that they will become entitled within the next 13 weeks (17 weeks for a pensioner) unless there is a change in circumstances.

### *Date applications are treated as made and backdating*

87. Where a pensioner applies and qualifies for council tax reduction, their application is treated as made 3 months before it was actually made (effectively all applications from pensioners are automatically backdated for a period of 3 months). Where an applicant applies for council tax reduction within one month of being awarded State Pension Credit including the guarantee credit, the three-month period cannot go back any earlier than the date of their State Pension Credit claim.
88. Where a working-age applicant shows a good reason for not making an application earlier, the application can be backdated to the first date that continuous good cause has been established, up to a maximum of 3 months. This means that the application is backdated to the latest of a) the first day good cause is established, b) the day 3 months before the date of application, or c) the day 3 months before the date the request for backdating was made. In exceptional circumstances back-dating can be awarded for 12 months rather than 3 months (for working age applicants) under the local scheme with the relevant supporting information being provided. Exceptional circumstances must be proven in writing and must be supported by evidence.

### *Evidence and information*

89. Where appropriate, the Council can accept evidence submitted online or by telephone to support an application.

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90. An applicant to council tax reduction must provide a National Insurance number for themselves and if appropriate, others for whom they are applying, or evidence that they have applied for a National Insurance number. This requirement does not apply to a:
- child or young person;
  - person from abroad;
  - person subject to immigration control.
91. An applicant to council tax reduction must provide such evidence in support of their application as the Council considers reasonable, within one month of being notified of their duty to do so (or a longer period if the Council so decides). This does not apply to an applicant who is a pensioner in respect of specified income which is ignored in the calculation of council tax reduction or whose income has been verified by The Pensions Service, where the Council has been notified of that income. The Council informs the applicant of their duty to notify any change of circumstances, and if asked by the applicant, which change of circumstances must be notified.
92. The Council can require an applicant to whom council tax reduction has been awarded (or any partner) who is at least the qualifying age for State Pension Credit, to supply information about pension fund holders and suppliers of pension fund schemes.
93. Before a decision has been made on an application, an applicant may amend or withdraw the application by notifying the Council either in writing, by electronic communication or by telephone.

### *Duty to notify changes in circumstances*

94. An applicant, or a person acting on behalf of the applicant, has a duty to report changes in circumstances either before an application has been decided by the Council or after council tax reduction has been awarded. The changes to be reported are those which the applicant might reasonably be expected to know would affect entitlement, and the changes must be notified in writing, by telephone or online within a period of one calendar month from the day when the change occurs, or as soon as reasonably practicable afterwards. Some types of change of circumstance do not need to be reported:
- changes in the amount of council tax payable to the Council;
  - changes in the ages of the applicant and their family or any non-dependants except where someone ceases to be a child or young person;
  - changes which affect the amount of Income Support, income-based Jobseeker's Allowance, or income-related Employment Support Allowance or but not the

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amount of council tax reduction, except where one of the benefits listed above ceases.

95. An applicant who receives State Pension Credit and who has been awarded council tax reduction does not need to report changes in circumstances except:
- any changes relating to a non-dependant's income or residency;
  - any absence from the home exceeding or likely to exceed 13 weeks, or 4 weeks if absent abroad.
96. Where State Pension Credit comprises only of Savings Credit, the applicant does not need to report changes in circumstances except the changes listed in paragraph 95 above and in addition:
- changes affecting a child living with them which may result in the amount of council tax reduction (but they do not need to report changes in the age of the child);
  - a change in an applicant's capital which takes, or may take, the total to more than £16,000;
  - certain changes in the income or capital of a non-dependant or partner.<sup>22</sup>

### Decisions and awards

97. Once the Council is satisfied that an application for council tax reduction has been completed in the proper manner together with all the required evidence and information, it will make the decision within 14 days or as soon as practicable thereafter.
98. Having made the decision on an application, the Council will notify the applicant, or a person appointed to act on behalf of the applicant, immediately or as soon as reasonably practicable afterwards. In the case of any other decision, the Council will notify the applicant within 14 days or as soon as reasonably practicable afterwards. The notification of a decision on an application is normally in the form of a notification letter or with a revised council tax bill.

### Use of information

99. Where it is lawful to do so, the Council uses information provided by the Department for Work and Pensions and His Majesty's Revenues and Customs in order to calculate entitlement to council tax reduction. Information received from Universal Credit may

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<sup>22</sup> See paragraph 9 (8) (c) of Schedule 8 to the Council tax reduction Schemes (Prescribed Requirements) (England) Regulations 2012

be used to update the award for council tax reduction. Similarly, the Council shares information with those departments when it is required to do so.

100. The Council may receive, obtain, verify, record and store information relating to applications for council tax reduction, from:
- the applicant;
  - other persons in connection with applications;
  - other local authorities;
  - central government departments.
101. The Council may forward information to anyone in the Council or others authorised to act on behalf of the Council, in processing applications for council tax reduction.

#### Revisions, termination and written statements

102. The Council may change or further change a decision at any time, either as a result of a request by the applicant within a reasonable time period or where it receives evidence that the original decision was incorrect.
103. The Council may review an award of council tax reduction, in whole or in part, if the Council considers that:
- the applicant or their partner has ceased to be entitled to Income Support, Jobseeker's Allowance, Employment and Support Allowance, or Pension Credit;
  - the applicant has ceased to be entitled to Universal Credit;
  - there has been a change in the membership of the applicant's household or in their capital which cannot be immediately determined, whether or not the applicant is receiving Universal Credit;
  - the applicant is not receiving Universal Credit and they or their partner has started remunerative work;
  - the application is fraudulent and/or there is deliberate misrepresentation of the facts in order to take advantage of the scheme, or is the subject of an investigation which has not yet concluded;
  - conditions of entitlement have not been met;
  - the applicant has failed to provide information requested.
104. Where the applicant has failed to provide information requested, they must provide the evidence required within one month beginning with date the request for information was sent, or such longer period as the Council considers necessary. Or they must satisfy the Council within one month that it is not possible to obtain the evidence requested.

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105. Where any of the circumstances listed in paragraph 103 cease to apply, the Council will restore the award of council tax reduction.
106. Where any of the circumstances listed in paragraph 103 continue to apply the Council may terminate an award of council tax reduction, in whole or in part, from the date it determines that entitlement ended.
107. An applicant who receives the Council's notification of a decision, or a revised decision, may, within one month of the date of the notification of that decision, request in writing that the Council provides a written statement setting out the reasons for its decision. The Council will send this explanation to the applicant within 14 days of a request, or as soon as reasonably practicable afterwards.

### Reviews and Appeals

108. If an applicant is dissatisfied with the Council's decision on entitlement to council tax reduction or the amount awarded, they may write (including by email) to the Council setting out why they are dissatisfied. The Council will then consider the matter and notify the applicant in writing (usually by email), either that they do not have a case stating the reasons why, or that action has been taken to address their concerns. If the applicant is still dissatisfied, or if the Council does not address their concerns within 2 months, they may appeal to the Valuation Tribunal.

### Discretionary awards

109. The Council may use its discretion to reduce council tax liability because of exceptional hardship.<sup>23</sup> This is irrespective of whether an application has been made for council tax reduction under the main scheme, described in this document.
110. An application may be made in writing, online or by telephone (although the applicant will subsequently need to provide a signed statement and any other documentation necessary to support the application).

### Electronic communication

111. The Council may use electronic communication (for example via computer networks or mobile phones) in administering council tax reduction and may receive electronic communications including applications online, subject to the following conditions:
  - there is an explicit authorisation given by the Council's chief executive;

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<sup>23</sup> Under section 13A(1)(c) of the [Local Government Finance Act 1992](#), as amended.

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- there is an approved method of authentication;
  - approved forms are used;
  - records are maintained in a way specified by the chief executive.
112. Any applications which are not submitted in the approved manner are treated as invalid. The Council may authorise another person or persons to act as intermediaries in connection with the delivery of information electronically and its authentication.
113. Any information delivered electronically is treated as if it were delivered in any other way required by the Council's scheme if the above conditions are met. Information is treated as not delivered until it is accepted by the Council's official computer system. If, for legal reasons, it becomes necessary to prove the identity of the sender or recipient of information sent or received electronically, it is presumed to be the person named on the official computer system. Similarly, if it is necessary to prove that information sent electronically has actually been delivered to the Council, it is treated as received if it is recorded on the official computer system. Similarly, if it is not recorded as received on the official computer system it is treated as not received. And the time, date and content of any electronic communication is presumed to be that recorded on the computer system.

### Excess reductions

114. Where an applicant has received an award of council tax reduction in excess of their entitlement, the Council will recover the excess amount by adding it to the applicant's council tax account. This applies in all cases but where a Council officer<sup>24</sup>, or a person acting for the Council, has made a mistake which the applicant could not reasonably have known about, the Council will consider removing the excess entitlement from the account.

### Fraud and compliance

115. The Council is determined to combat fraud in order to protect both its finances and the wider interests of all taxpayers. The Council makes every effort to prevent and detect fraud by using due diligence and will take appropriate action where an application is found to be fraudulent or misrepresented to take advantage of the scheme. The Council recognises that the use of simple cautions, penalties and prosecutions have a key role to play in deterring offenders.

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<sup>24</sup> This also includes an officer of, or a person acting for, the Department for Work and Pensions or His Majesty's Revenue and Customs.

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116. In order to minimise the opportunity for fraud, the Council will:
- verify applications for council tax reduction rigorously;
  - employ sufficient staff to meet its commitment to combat fraud;
  - actively tackle fraud where it occurs;
  - co-operate with the Department for Work and Pensions and His Majesty's Revenue and Customs in joint-working, including prosecutions and sharing data where appropriate and legal; the work may include joint investigations with them and, where appropriate, assistance in any prosecution. The Council may also work with other organisations such the Metropolitan police;
  - in all cases seek to recover all outstanding council tax.
117. In order to ensure that the above actions are carried out successfully, the Council will put in place all the required administrative policies, procedures and processes. Any fraud investigation will be conducted in accordance with the principles and approach set out in the appropriate legislation<sup>25</sup>. In all cases where fraud is identified, the Council will consider commencing legal proceedings.

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<sup>25</sup> In particular, the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) Regulations 2013.

Annex 1 – Glossary of terms

Alternative maximum council tax reduction (pensioners only)	A way of calculating council tax reduction where there is 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.
Amount for living expenses (pensioners only)	An amount of money assumed to be sufficient to cover day-to-day living expenses. <sup>26</sup>
Applicant	A person who has made an application to the Council for council tax reduction.
Application	An application for council tax reduction.
Approved blood scheme	A scheme established or approved by the government, or a trust set up with funds provided by the government, to provide compensation for someone infected by contaminated blood products.
Armed Forces Independence Payment	A payment made in accordance with an armed and reserve forces compensation scheme.
Attendance Allowance	A benefit for people of state pension age and over that helps with the extra costs of long-term illness or disability, which can be either physical and/or mental. It is paid regardless of income and savings and is tax-free.
Benefit cap	A limit to the total amount of some benefits that most working-age people can receive. There are different levels of cap for London and the rest of the country.
Boarder	A person who resides with the applicant and who makes payments to the applicant or their partner, on a commercial basis, in return for accommodation and some meals. A boarder is not a non-dependant.

<sup>26</sup> The amounts for pensioners are set out in Schedule 2 to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, and subsequent amendments.

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Carer's Allowance	A benefit for someone caring for another person for at least 35 hours a week. It is paid regardless of income and savings but can be taxable.
Caxton Foundation	A charitable trust funded by the government primarily to help someone suffering from hepatitis C.
Child	A person under the age of 16.
Child Benefit	A non-means-tested benefit (below income of £60k) to help with the cost of children. It is usually paid monthly to a person who is responsible for a child either aged under 16 or aged 16 to 20 in fulltime education or training.
Child Tax Credit	A payment to help with the cost of children aged under 16, or 16 to 20 in full-time education or training, for whom a person is

	responsible. It is income-related and paid in addition to Child Benefit to people in work and out of work.
Close relative	A parent, parent-in-law, son, son-in-law, daughter, daughter-in-law, step-parent, step-son, step-daughter, brother, sister. Where any of these close relatives is one member of a couple, the definition includes the other member of that couple.
Concessionary payment	A payment made in certain circumstances to compensate a person for the non-payment of a benefit or a tax credit.
Council	Knowsley Metropolitan Borough Council, as the billing authority.
Council tax reduction scheme	A scheme designed to help people in financial need pay their council tax.
Couple	Two people living in the same household who are married to, or civil partners of, each other, or are living together as though they were married or civil partners.
Disability Living Allowance	A non-means-tested, non-taxable benefit paid to people who need supervision or help with their daily or nightly care, or who have mobility problems. It has now been replaced for most people by Personal Independence Payment but is still paid for children.
Earnings	Any remuneration or profit derived from employment.
Eileen Trust	A charitable trust funded by the government to pay grants to nonhaemophiliac people infected with HIV through treatment with NHS blood or blood products.
Employed earner	A person who is gainfully employed under a contract of service.

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Employment and Support Allowance	A benefit paid to working-age people who have an illness, health condition or a disability which makes it difficult or impossible to work. Contribution-based Employment and Support Allowance is not means-tested but based on National Insurance contributions. Income-related Employment and Support Allowance is means-tested.
Estrangement	A breakdown of a relationship between 2 persons.
Extended reduction	A set amount of council tax reduction awarded for a specified period, usually 4 weeks.
Family	A couple, or a couple where one or both have responsibility for a child or young person living in the same household, or a lone parent who has responsibility for a child or young person living in the same household.
Financial or tax year	The period beginning 6 <sup>th</sup> April in one year to 5 <sup>th</sup> April in the following year.
Grenfell Tower support payment	A payment made for the purpose of providing compensation or support in respect of the fire on 14 <sup>th</sup> June 2017 at Grenfell Tower.

Historical child abuse payment	A payment made under various compensation schemes and redress programmes to acknowledge the harm caused by child abuse and provide support to survivors.
Household	Not defined as such but is given its every-day meaning, taking account of factors such as the overall relationship between the parties, living arrangements and the degree to which facilities are shared. Children and young people are treated as part of the household even when temporarily absent but are not part of the household in certain specific circumstances, such as when they are living in care or formally placed with the applicant.
Housing Benefit	An income-related (means-tested) benefit paid to tenants on low incomes (either in or out of work) to help pay their rent. The scheme is administered by local authorities in accordance with national legislation.
Income Support	An income-related (means-tested) benefit paid to working-age people on low income such as carers and lone parents. It is not usually paid to someone receiving Jobseeker's Allowance or Employment and Support Allowance.

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Jobseeker's Allowance	A benefit paid to working-age people who are not working (or working less than 16 hours a week) and who are available for, and actively seeking full-time work. Contribution-based Jobseeker's Allowance is not means- tested but depends on National Insurance contributions. Income-based Jobseeker's Allowance is means-tested.
Joint occupier	A person who is either the co-owner (with the applicant or their partner) of the residence or liable (with the applicant or their partner) to pay council tax. A joint occupier has a legal right to occupy the property. A joint occupier is not a non-dependant.
Local authority	An authority responsible for issuing council tax bills and providing a scheme for council tax reduction.
London Bombings Relief Charitable Fund	The company and registered charity set up to help victims (and their families or dependants) of the terrorist attacks in London on 7 <sup>th</sup> July 2005.
London Emergencies Trust	A company and registered charity set up to distribute public donations to those affected by a major emergency such as terrorist attacks or other civil disasters in London.
Lone parent	A person who has no partner and who is responsible for a child or young person living in the same household.
Macfarlane Trust	A charitable trust established to help relieve poverty or distress among those suffering from haemophilia.
Maternity leave	A period during which a woman is absent from work because she is pregnant or has given birth to a child, and after which she has the right to return to work.
Medically approved	Certified by a medical practitioner.
MFET Ltd	A company set up to make payments, under arrangements made by the government, to those who have HIV as a result of treatment by the NHS with blood or blood products.
Minimum Income Floor	The Minimum Income Floor is an assumed level of earned income for self-employed people who report very low or no earnings. The assumed level of earned income is calculated using the net Living Wage multiplied by either the number of hours worked (as declared by the applicant to either the Council or a central government department) or the number of hours they are expected to look for and be available for work.

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National Emergencies Trust	A registered charity set up to distribute public donations to those affected by a major national emergency or disaster.
National Minimum Wage	The minimum amount that legally must be paid to an employed earner.
National Insurance	A form of taxation on earnings and self-employed profits paid into a fund from which some social security benefits are paid. The Department for Work and Pensions issues National Insurance numbers which are unique to each person and are required when applying for council tax reduction.
Net earnings	The amount of earnings after specified deductions such as income tax and National Insurance contributions.
Net profit	The amount treated as self-employed earnings which is the applicant's total profit less specified deductions such as allowable expenses.
Non-dependant	A person living as a member of the applicant's household who is not their partner, or a child or young person for whom they are responsible, with certain exceptions such as joint-occupiers, boarders and paid carers.
Non-dependant deduction	A set amount deducted from an applicant's council tax reduction as a contribution made by a non-dependant towards household expenditure.
Occupational pension	Any pension or other periodical payment made under an occupational pension scheme.
Official computer system	A computer system maintained by or on behalf of a local authority for sending, receiving, processing or storing of any information.
Paid carer	A person who lives with the applicant in order to care for them or their partner, who is employed by a charity or voluntary organisation, and where a charge is made for their services. A paid carer is not a non-dependant.
Partner	The person who is the other member of a couple.
Paternity leave	A period of leave during which a father or partner is absent from work in order to care for their new-born or newly adopted child, after which they have the right to return to work.

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Pensioner	A person who has reached the qualifying age for State Pension Credit and is not (or where there is a partner the partner is not) receiving a working-age income-related benefit. This means that a mixed-age couple where neither the applicant nor the partner is in receipt of working-age income-related benefit are eligible for the pensioner scheme. The definition of a pensioner includes those who have reached pension age and are receiving Universal Credit as a result of the closure of Working Tax Credit.
Personal Independence Payment	A replacement benefit for Disability Living Allowance designed to provide help to people over 16 who need care or who have mobility needs. It is not means-tested or Taxable.
Personal pension scheme	A pension that a person arranges individually which is based on how much is paid into the scheme and how successful the pension provider's investments are.
Polygamous marriage	Any marriage where one party is married to more than one person, and the ceremony of marriage took place under the law of a country which permits polygamy.
Post Office compensation payment	A payment made by the Post Office or the government for the purpose of providing compensation or support either in connection with the failings of the Horizon system or following the judgment in Bates and Others v Post Office Ltd (No 3) "Common Issues".
Public authority	A body or organisation which has a public function, for example the NHS and local authorities.
Relative	A close relative (as defined above) as well as a grandparent, grandchild, uncle, aunt, nephew or niece.
Remunerative work	Where a person is working for at least 16 hours a week (which may be an average) for which payment is made or which is done in expectation of payment.
Resident	An applicant is resident in a dwelling if they occupy it as their sole or main home.
Residence rules	Qualifying conditions whereby an applicant must establish that they have the right to live in the UK and intend to settle in the UK, Isle of Man, Channel Islands or Ireland and make it their home.
Revision	A previous decision is changed (revised) from the same date it originally took effect from. It allows for a review of the original decision, which may lead to changes based on new information or errors.

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Scottish Infected Blood Support Scheme	A scheme that provides support to people in Scotland who were historically infected with hepatitis C and/or HIV following treatment with NHS blood or blood products.
Second adult reduction (or second adult rebate) – pensioners only	Another term for alternative maximum council tax reduction (see above).
Self-employed earner	A person who is gainfully employed in Great Britain otherwise than in employed-earners employment.
Service user	A person who is consulted by, or on behalf of, certain public bodies.
Skipton Fund	A scheme set up to make payments to people suffering from hepatitis C.
State Pension Credit	An income-related (means-tested) benefit paid to pensioners on a low income. It has two components: the minimum guarantee and an additional ‘savings credit’ designed to reward those who have put by savings and income for retirement.
Sports award	An award made by certain specific sports councils from funds derived from the National Lottery.
Student	A person who is attending or undertaking a course of study at an educational establishment or on a qualifying course. <sup>27</sup>
Supersession	A previous decision is changed from a later date. It is a way to address changes in circumstances or errors in the original decision.

Support or reduction week	A period of 7 days commencing on a Monday and ending on a Sunday.
Temporary absence	A period not exceeding a specified number of weeks where a person is temporarily absent from their home and intending to return to that home and has not sub-let that part of the home they normally occupy.
The Trusts	The Macfarlane Trust, the Macfarlane (Special Payments Trust) and the Macfarlane (Special Payments) (No.2) Trust.

<sup>27</sup> A qualifying course as defined for the purposes of parts 2 and 4 of the [Jobseeker’s Allowance Regulations 1996](#). The course must be employment-related which helps a person to acquire or enhance skills for employment, for seeking employment, or for a particular occupation. It must last for no more than 12 consecutive months and it must be a course at an appropriate level. See also [Annex 8](#) for more comprehensive definitions relating to students.

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Universal Credit	An income-related (means-tested) benefit for people of working-age who are on a low income. It replaces four existing means-tested benefits, including Housing Benefit, and two tax credits.
Vaccine Damage Payment	A payment made if you are severely disabled as a result of a vaccination against certain diseases.
Victims of Overseas Terrorism Compensation Scheme	A government funded scheme designed to compensate victims who sustain a relevant injury which is directly attributable to their being a direct victim of a designated act of terrorism overseas.
Voluntary organisation	A body other than a public or local authority whose activities are carried out on a not-for-profit basis.
War Disablement Pension	A payment paid to people who have been injured or disabled as a result of any service in His Majesty's Armed Forces. The amount paid depends on the severity of the disablement.
War Widow's Pension	A pension payable to the widow, widower or in some circumstances the children of someone killed in the Armed Forces or who died later because of injury in the Armed Forces.
We Love Manchester Emergency Fund	A charity set up to co-ordinate, administer and distribute the monies donated in response to the Manchester Arena attack on 22 May 2017.
Windrush Compensation Scheme	A scheme set up by the government to compensate people who have suffered loss because they are unable to demonstrate their lawful status in the UK.
Working-age applicant	A person who has not reached the qualifying age for State Pension Credit or who has reached that age but is receiving (or where there is a partner the partner is receiving) a working-age income-related benefit.
Working Tax Credit	An income-related payment made to someone in paid work but on a low income. Different qualifying conditions apply depending on age and hours worked.
Young person	A person who is a qualifying young person for Child Benefit purposes. The young person must be 16 or over and under 20 and on a course of full-time, non-advanced education or in approved training, or in appropriate full-time education.

Annex 2 - Polygamous marriages***(This annex applies only to pensioners)***

A polygamous marriage means any marriage where one party is married to more than one person, and the ceremony of marriage took place under the law of a country which permits polygamy. The amount for living expenses for polygamously married couples is calculated by awarding the highest amount applicable to the applicant and one of their partners.

An additional amount is awarded for each additional spouse in the same household, as set out in the table below:

Category of applicant	Amount for each additional spouse
Pensioner (one or more members of the marriage have attained pension age before 1 <sup>st</sup> April 2021)	£127.35
Pensioner (all members of the marriage have attained pension age on or after 1 <sup>st</sup> April 2021)	£125.25

The amounts awarded for children and other components are the same as for other applicants.

Where an applicant is polygamously married they are treated as possessing the income and capital of all partners to the marriage with whom they share the household.

Where a person who is polygamously married lives as a non-dependant member of an applicant's household, only one non-dependant deduction is made, but the amount deducted is the highest applicable after taking account of the circumstances and income of all partners in the marriage.

Annex 3 – Treatment of income - pensioners***(This annex applies only to pensioners)***

In the calculation of council tax reduction for pensioners, most income is taken into account, although some types of income are ignored in whole or in part. The definition of income includes earnings, benefits and pensions and the following paragraphs explain how various types of income are treated in the calculation. The income of an applicant's partner is treated as belonging to the applicant.

Income is calculated on a weekly basis. In order to arrive at the weekly amount of earnings and other income to be taken into account, a monthly payment is multiplied by 12 and

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divided by 52; a three-monthly payment is multiplied by 4 and divided by 52; where the payment is for a year, the amount is divided by 52; in other cases, the amount is converted to a daily amount and multiplied by 7. An assumed income from capital is added (see paragraph 33).

### *Earnings from employment*

In the calculation of council tax reduction, an applicant's net earnings are taken into account, after deductions have been made from their gross earnings for: income tax, class 1 National Insurance contributions, and 50% of contributions to occupational or personal pension schemes.

Where a pensioner applicant has earnings from employment, the weekly amount of earnings is averaged over 5 weeks prior to the first week in which support is payable if the applicant is paid weekly, and 2 months if the applicant is paid monthly. However, where an applicant's earnings fluctuate, earnings can be averaged over any reasonable period. If an applicant has been working for less than 5 weeks or 2 months, the average weekly earnings are estimated based on either any earnings received, if representative of future earnings, or an estimate provided by their employer. If earnings change during the period of an applicant receiving council tax reduction, average earnings are estimated over any reasonable period but not more than 52 weeks (not including earnings received from more than one financial tax year).

Earnings are taken into account from the date of application even if they were not received during the week of application. Where an applicant begins remunerative work after an application for council tax reduction has been made, earnings are taken into account from the first reduction week after they began work, even if they were not actually received in that week. Similar arrangements are made when earnings change. See [Annex 4](#) for the definition of earnings as an employed earner.

### *Self-employment*

An applicant for council tax reduction is treated as self-employed if they are gainfully employed but not as an employed earner.

Where an applicant is self-employed, weekly earnings are estimated over a reasonable period but no more than over 52 weeks. See [Annex 5](#) for a description of how self-employed earnings are calculated.

### *Other income*

Income other than earnings is fully taken into account unless specified in [Appendix 4](#) which lists income that is ignored. Weekly income other than earnings is also estimated over a reasonable period but no more than over 52 weeks. Any tax payable on gross income is ignored. See [Annex 6](#) for a description of how income other than earnings is calculated.

Benefit income is taken into account over the period in which it is paid. The period over which a tax credit payment is taken into account varies depending on whether the payment

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is a daily, weekly, two-weekly or four-weekly instalment. Benefit income taken into account is normally the gross amount before any deductions are made from it. If Working Tax Credit is subject to overpayment recovery, the amount of Working Tax Credit taken into account is the net amount, i.e. after the deduction for the overpayment has been made. Capital paid by instalments in some circumstances, and annuity payments, are treated as income.

Where a pensioner is receiving the guarantee part of State Pension Credit, their income and capital are ignored for the purposes of council tax reduction, so the pensioner receives a 100% reduction on their council tax bill. Where a pensioner is receiving only the savings credit part of State Pension Credit, the amount of income and capital used in the Department for Work and Pensions assessment is used for the calculation of council tax reduction.

In most cases, income that the applicant has not obtained (for example, a deferred pension) but is available on application is treated as possessed by them, but only from the date on which it could be obtained. With some exceptions, payments made to third parties on behalf of the applicant are treated as possessed by the applicant.

If it appears to the Council that an applicant has come to an arrangement with a non-dependant member of the household specifically to take advantage of the council tax reduction scheme, where the income and capital of the non-dependant exceeds that of the applicant, the income and capital of the non-dependant is treated as if it were the applicant's, and the applicant's income is ignored.

### *Childcare charges*

Where relevant and subject to certain conditions, childcare charges are deducted. The weekly maximum amounts to be deducted are £175 for one child and £300 for two or more children.

Where incurred, childcare charges can be deducted from income where the applicant is:

- A lone parent who is working at least 16 hours a week;
- A member of a couple both of whom are working at least 16 hours a week;
- A member of a couple one of whom is working and the other is incapacitated, in hospital or in prison.

For the purposes of childcare charges an applicant can be treated as working during the first 28 weeks of a period of sickness providing they were in work immediately before getting a specified sickness or disability benefit (or appropriate National Insurance credits). Also, an applicant can be treated as working if they are absent from work, on maternity, adoption, parental bereavement leave, shared parental or paternity leave, providing they were in work immediately before the leave began and is entitled to statutory, maternity, adoption, paternity, or shared parental pay; or maternity allowance.

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To be eligible, the childcare charges must be:<sup>28</sup>

- paid by the applicant or their partner;
- in respect of a child who is a member of the applicant's family;
- in respect of a period from the birth of a child until the day before the first Monday in September following the child's 15<sup>th</sup> birthday (16<sup>th</sup> birthday if the child is disabled);
- for care provided by specified care providers, for example registered child minders;
- for care provided out of school hours by a school, on school premises, or by a local authority. This applies to children aged from 8 years until the day before the first Monday in September following their 15<sup>th</sup> birthday (16<sup>th</sup> birthday if disabled).

The following childcare charges are ineligible:

- payments in respect of the child's compulsory education;
- payments made by an applicant to their partner (or vice versa) in respect of any child for whom they are responsible;
- payment for care provided by a relative of the child which wholly or mainly takes place in the child's home.

Childcare charges are estimated over an appropriate period of no more than one year in order to arrive at an accurate average weekly charge.

### Annex 4 - Definition of earnings as an employed earner

***(This annex does not apply to applicants receiving Universal Credit<sup>29</sup>)***

The definition of earnings includes the following:

- any bonus or commission;
- payments to compensate for loss of earnings but not redundancy payments;
- payments in lieu of notice or payments intended as compensation for loss of employment;
  
- holiday pay but not if it is paid more than 4 weeks after employment ends;
- payments made for a period when no actual work has been carried out, for example a retainer;

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<sup>28</sup> See regulation 25 (5-8) to schedule 1 of Council Tax Reduction (Prescribed Requirements (England) Regulations 2012 for a full list of eligible charges and care providers.

<sup>29</sup> The scheme uses the Universal Credit earnings figure provided by DWP which is based on the definition of earnings as an employed earner given in paragraph 55 of the Universal Credit Regulations 2013. This definition is similar but not exactly the same as the one in this Annex.

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- any expenses which are not ‘wholly, exclusively and necessarily incurred’ in connection with employment such as travelling expenses between home and work;
- compensation for unfair dismissal from work and any other payment made under employment rights legislation;
- any statutory sick pay, maternity pay, paternity pay, adoption pay, and statutory parental bereavement pay;
- payments made by or on behalf of an employer to an applicant who is on maternity or paternity leave, adoption leave or is absent from work because of illness;
- non-cash vouchers which have been counted when calculating liability to pay National Insurance contributions.

The definition of earnings does not include:

- payments in kind except for non-cash vouchers as above;
- Expenses which are ‘wholly, exclusively and necessarily incurred’ in connection with employment;
- any occupational pension;
- expenses arising from participation in consultation exercises on behalf of specified public authorities;
- In respect of pensioners, any payment of compensation from an employment tribunal in respect of unfair dismissal or unlawful discrimination.

### Annex 5 - Calculation of self-employed earnings

***(This annex does not apply to applicants receiving Universal Credit<sup>30</sup>)***

The earnings of a self-employed earner are the gross income from the employment. Local authority payments to foster parents, and certain kinship carers, are not treated as self-employed earnings but as income other than earnings.<sup>31</sup> The following are also not regarded as self-employed earnings: payments by a boarder living in the applicant’s accommodation, and sports awards.

Royalties, copyright, design, patent, trademark and Public Lending Right Scheme payments are taken into account over a set period of weeks. The number of weeks is obtained by dividing the amount of the payments by the amount of council tax reduction which would be payable had the applicant not received the payments, plus the amount that would normally be ignored in their case.

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<sup>30</sup> The scheme uses the Universal Credit earnings figure provided by DWP which is based on the definition of self-employed earnings given in [para 57 of the Universal Credit Regulations 2013](#). This definition is similar but not exactly the same as the one in this annex.

<sup>31</sup> See paragraph 21 of Schedule 1 to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 for a full definition.

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The earnings to be taken into account are the net profit from the business less, in the case of pensioners, any amount which is ignored under [Appendix 4](#). Where a self-employed applicant is a partner (or a share fisherman) the net profit is their share of the profit.

In order to arrive at a figure for net profit, the following expenses are deducted from gross earnings:

- any expenses 'wholly and exclusively' incurred including repayments of capital on business loans for the replacement of equipment or machinery, or the repair of existing business assets (after any insurance payments);
- appropriate income Tax and National Insurance contributions;
- one half of any sum paid periodically in respect of a personal pension scheme;
- net payments of VAT and interest payments on loans taken out for the purposes of the applicant's business.

The following items are not considered to be expenses:

- capital expenditure.
- depreciation of any capital asset;
- any sum earmarked for setting up or expanding the business;
- losses incurred before the period over which the earnings are calculated;
- repayment of capital on business loans;
- any debts owed to the business except certain irrecoverable debts; • expenses that the Council consider have not been reasonably incurred.

Special arrangements apply in assessing the net profit of childminders. The net profit is one third of the earnings less income tax, National Insurance contributions and one half of the payments to a personal pension scheme.

Where an applicant has more than one employment as a self-employed earner, any losses incurred in any one of their employments cannot be offset against their earnings in any other of their employments.

The Minimum Income Floor is an assumed level of earned income for self-employed people who report very low or no earnings. For applicants receiving Universal Credit, the Minimum Income Floor is included in the earnings figure provided by DWP, which is used by the Council. Where the applicant is not receiving Universal Credit, the assumed level of earned income is calculated using the net Living Wage multiplied by either the number of hours worked (as declared by the applicant to either the Council or a central government department) or by the number of hours they are expected to look for and be available for work.

### Annex 6 - Calculation of income other than earnings

***(This annex does not apply to applicants receiving Universal Credit)***

The following are examples of how an applicant's income other than earnings is calculated:

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- where a benefit payment, for example Income Support, includes a deduction to recover an overpayment, it is the gross amount of the benefit that is taken into account;
- where an applicant is receiving a reduced rate of contributory Employment and Support Allowance because of a sanction, it is the full amount that is taken into account;
- where a tax credit for the current tax year includes a deduction to recover an overpayment of tax credits for the previous year, it is the Tax credit less the deduction that is taken into account;
- where a student applicant in receipt of a student loan leaves their course prematurely, they are treated as having the same weekly income from the loan as if they had completed the course, but only for the period during which they attended the course.

### Annex 7 - Income which is treated as capital (and capital treated as income)

#### ***(This annex does not apply to applicants receiving Universal Credit)***

The following income is treated as capital:

- occasional bonus payments to part-time coastguards, fire-fighters, and those manning lifeboats;
- refunds of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E;
- any holiday pay which is paid more than 4 weeks after the employment ends;
- with some exceptions (see [Appendix 5](#)) any income derived from capital but only from the date it is normally due to be credited to the applicant's account;
- any advance of employed earnings or any loan made by the applicant's employer;
- except for payments made by certain specified<sup>32</sup> trust funds, any charitable or voluntary payment which is not made, or due to be made, at regular intervals;
- the gross receipts of any commercial activity undertaken by a self-employed applicant receiving council tax reduction, but only if those receipts were payable into a special account;
- any arrears of subsistence allowance which are paid to an applicant as a lump sum;
- in the case of pensioners, any arrears of Working Tax Credit, Child Tax Credit or state pension credit paid after an award of council tax reduction has been made;
- in the case of working age applicants, any arrears of working Tax credit and child Tax credit;
- any payment made through an approved trust for providing assistance to a disabled person whose disabilities were caused by the Thalidomide drug.

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<sup>32</sup> For the full list of specified trusts, see [Appendix 6](#) to this scheme under 'Compensation' on page 55.

The following capital is treated as income:

- capital paid by instalments outstanding at the date the application is made (or treated as made) which, together with other capital, would take the applicant over the capital limit;
- payments received under an annuity;
- a career development loan paid under section 2 of the Employment and Training Act 1973;
- periodic payments to the applicant as a consequence of personal injury.

#### Annex 8 - Students

***(This annex does not apply to applicants receiving Universal Credit)***

Pensioner students are eligible for council tax reduction if they are liable for council tax and satisfy the other eligibility conditions. The student income of a pensioner is not taken into account in any award.

To be eligible for council tax reduction, a working-age student must be liable for council tax, satisfy the other eligibility conditions, and be in one of the following categories:

- receiving Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance;
- a lone parent;
- a student who has a full-time student partner one of whom has responsibility for a child or young person;
- disabled and entitled to Disability Living Allowance or Personal Independence Payment;
- a single foster carer;
- treated by the Department for Work and Pensions as incapable of work (or having limited capability for work) for a continuous period of at least 196 days;
- under 21 and not in higher education;
- under 20 and someone receives Child Benefit for them;
- receiving a Disabled Student's Allowance for deafness;
- have interrupted their course due to illness or caring responsibilities (with the approval of their college or university) for the period between their illness or caring responsibilities ending when they return to University, but only if they do not receive student finance during that time;

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- covered by medical evidence saying that they have not been able to work due to illness or disability for at least 28 weeks;
- a part-time student.

Student income, such as grants and loans, is ignored in the calculation of council tax reduction for working-age applicants.

For the purposes of this scheme, the following definitions apply:

Academic year - the period of twelve months beginning on 1<sup>st</sup> January, 1<sup>st</sup> April, 1<sup>st</sup> July or 1<sup>st</sup> September, according to whether the course begins in the winter, the spring, the summer or the autumn. But if students are required to begin attending the course during August or September and continue attending through the autumn, the academic year of the course begins in the autumn rather than the summer.

Course of study - any course of study, whether or not it is a sandwich course, and whether or not a grant is made for undertaking or attending it.

Full-time student - a person who is attending or undertaking a full-time course of study, including a student on a sandwich course. A funded course of study is usually regarded as full-time if it involves over 16 hours of guided learning a week. Whether or not an unfunded course is full-time depends on the nature of the course as a whole.<sup>33</sup>

Period of study - this is defined as follows:

- a) in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;
- b) in the case of a course of study for more than one year, in any year other than the final year of the course, the period beginning with that year's start and ending with either: (i) the day before the start of the next year of the course in a case where the student's grant or loan is assessed at a rate appropriate to their studying throughout the year; or (ii) in any other case, the day before the start of the normal summer vacation appropriate to their course;
- c) in the final year of a course of study of more than one year, the period beginning with that year's start and ending with the last day of the course.

Qualifying course - as defined for the purposes of parts 2 and 4 of the [Jobseeker's Allowance Regulations 1996](#). The course must be employment-related which helps a person to acquire or enhance skills for employment, for seeking employment, or for a particular occupation. It must last for no more than 12 consecutive months, and it must be a course at an appropriate level.

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<sup>33</sup> For a fuller definition of full-time course of study used in this scheme see regulation 53 (1) of the [Housing Benefit Regulations 2006](#).

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Sandwich course<sup>34</sup> – consists of alternate periods of full-time study in an institution and periods of work experience. The student attends full-time study for at least 18 weeks in each year.

Student - a person who is attending or undertaking a course of study at an educational establishment or who is on a qualifying course.

### Appendix 1 - Living expenses (pensioners only)

#### ***(This appendix applies only to pensioners)***

The amounts for living expenses consist of amounts for the applicant and, where appropriate, their partner (known as personal allowances), amounts for children and young people, and additional amounts, known as premiums, mainly for disability and caring responsibilities.

<b>Amounts for the applicant</b>	<b>£ per week</b>
Single person or lone parent who has reached pension age before 1 <sup>st</sup> April 2021	256.00
Single person or lone parent who has reached pension age on or after 1 <sup>st</sup> April 2021	238.00
Couple, where one or both members have reached pension age before 1 <sup>st</sup> April 2021	383.35
Couple, where both members have reached pension age on or after 1 <sup>st</sup> April 2021	363.25
<b>Amounts for children, young people</b>	<b>£ per week</b>

<sup>34</sup> See regulation 2(9) of the [Education \(Student Support\) Regulations 2008](#) for more detail.

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Dependent child/young person aged under 20 <sup>35</sup>	87.88
<b>Premiums</b>	<b>£ per week</b>
Disabled child premium (for each child)	84.46
Carer premium	48.15
Enhanced disability premium for a single applicant	22.00
Enhanced disability premium for a couple	31.40
Enhanced disability premium for a child	33.99

Severe disability premium for a single applicant	86.05
Severe disability premium for a couple (one qualifies)	86.05
Severe disability premium for a couple (both qualify)	172.10

A brief explanation of qualifying conditions for the various premiums:

### *Disabled child premium*

This applies where an applicant or partner is responsible for a child or young person living in their household who meets at least one of the following conditions:

- is registered as severely sight-impaired or blind;
- receives Disability Living Allowance;
- receives Child Disability Payment;

<sup>35</sup> This was limited to 2 children/young persons from 1st April 2018 in the prescribed scheme which applies to pensioners, but this limitation is removed from April 2025.

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- receives Personal Independence Payment;
- receives the Adult Disability Payment;
- receives an Armed Forces Independence Payment; or
- would receive one of these benefits if they were not in hospital.

The disabled child premium is paid for each child who satisfies one of the above conditions. It is also paid for a period of 8 weeks following the death of child or young person, provided that Child Benefit is paid following the death.

### *Carer Premium*

This applies where an applicant or partner is entitled to Carer's Allowance<sup>36</sup> (including where Carer's Allowance is not paid because of overlapping benefit rules) or a Carer Support Payment. The applicant must have made a claim for Carer's Allowance or Carer Support Payment in order for the premium to apply.

Entitlement to the carer premium continues for eight weeks after caring or entitlement to Carer's Allowance or Carer Support Payment ceases, or where the person being cared for has died. The period of eight weeks begins on the Sunday following the death, or from the date of the death if this is a Sunday.

If entitlement to Carer's Allowance or Carer Support Payment ends for any other reason, the premium will continue to apply for eight weeks.

If both the applicant and their partner qualify for a carer premium, two premiums are paid.

### *Enhanced disability premium*

This applies where an applicant or their partner or a member of their family is under the qualifying age for State Pension Credit and receiving the disability premium or incomerelated Employment Support Allowance, and one of the following:

- Personal Independence Payment daily living component at the standard or higher ('enhanced') rate;
- Armed Forces Independence Payment;
- Disability Living Allowance care component at the highest rate;
- The care component of Child Disability Payment at the highest rate.
- The daily living component of the Adult Disability Payment at the enhanced rate.

Or an applicant is in the support group for income-related Employment Support Allowance.

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<sup>36</sup> See [Annex 1](#) (Glossary) page 28

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### *Severe disability premium*

This applies where an applicant is receiving one of the following qualifying benefits:

- Personal Independence Payment daily living component;
- Armed Forces Independence Payment;
- Disability Living Allowance care component at the middle or highest rate;
- Attendance Allowance (or Constant Attendance Allowance paid with Industrial Injuries Disablement Benefit or War Pension).
- Pension Age Disability Payment
- The daily living component of Adult Disability Payment at the standard or enhanced rate.

A further condition is that there are no non-dependants aged 18 or over is living with the applicant, unless they are in one of these situations:

- they receive a qualifying benefit;<sup>37</sup>
- they are registered blind;
- they are a boarder or sub-tenant (but not a close relative);
- they make separate payments to the landlord.

The severe disability premium is not paid if someone is receiving Carer's Allowance, a Carer Support Payment, or the carer's element of Universal Credit, for looking after the applicant.

Couples receive the higher amount of severe disability premium if both of them are eligible, or the lower amount if:

- someone receives Carer's Allowance, a Carer Support Payment, or the carer's element of Universal Credit, for looking after only one member of the couple; or
- only one member of the couple meets the eligibility criteria and the other is registered blind.

### Appendix 2 - Alternative Maximum Council Tax Reduction (pensioners only)

#### ***(This appendix applies only to pensioners)***

Applicants may qualify for council tax reduction through the alternative maximum council tax reduction route, sometimes known as the second adult reduction or rebate. This is where there is a second adult (or adults) sharing the household who would normally be

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<sup>37</sup> The qualifying benefits are Attendance Allowance, the care component of Disability Living Allowance at the highest or middle rate, or the daily living component of Personal Independence Payment at the standard or enhanced rate.

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expected to contribute towards the council tax bill, but who cannot afford to do so. The amount of the reduction depends on the income of the second adult:

Income of second adult	Percentage reduction applied
Where the second adult or all second adults are in receipt of Income Support, income related Employment and Support Allowance, income-based Jobseeker's Allowance or State Pension Credit.	25%
Where the gross income of the second adult, or where there is more than one second adult, their aggregate income (ignoring income from income-related benefits) is less than £289.00 per week.	15%
As above, but where the income is £289.00 per week but less than £375.00 per week.	7.5%
Where a dwelling would be wholly occupied by students (who are not entitled to council tax reduction under the main scheme) but for the presence of one or more second adults in receipt of an income-related benefit.	100%

In calculating a second adult's gross income, payments of Attendance Allowance, Disability Living Allowance, Personal Independence Payment or Armed Forces Independence Payment are ignored. Payments from certain specified trusts such as the Macfarlane Trust are also ignored.

### Appendix 3 - Earnings that are ignored fully or in part (pensioners only)

#### ***(This appendix applies only to pensioners)***

##### *Earnings paid before the first day of entitlement*

Where an applicant ceases employment as an employed earner because of retirement and is entitled to retirement pension (or would be if they satisfied the contribution conditions), their earnings are ignored from the date after the employment has been terminated.

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Where an applicant ceases employment as an employed earner, for reasons other than retirement, before the first day of entitlement to council tax reduction, their earnings are ignored except for certain specified payments.<sup>38</sup>

Where an applicant has not ceased employment, but their working hours have decreased to fewer than 16, or they are ill before the first day of entitlement to council tax reduction, the earnings are ignored other than specified payments such as statutory sick pay, statutory maternity pay, paternity or shared parental pay.

The above paragraphs also apply when an applicant has been working part-time (fewer than 16 hours a week) and that employment either comes to an end or is interrupted.

Similar arrangements apply when employment or part-time employment as a self-employed earner comes to an end: earnings, other than royalties or analogous payments, are ignored from the date the employment ended.

### *Earnings paid when council tax reduction has been awarded*

The applicant's earnings which are ignored are shown in the table below. The amounts shown are not cumulative.

Amount ignored	Circumstances which must apply
All	Where the applicant is receiving Pension Credit
£20	Entitled to a disability or severe disability premium, Adult Disability Payment, Pension Age Disability Payment, work-related activity or support component of Employment and Support Allowance or a carer premium. (NB £20 in total for couples.)
£25	Lone parent.
£10	Couples where £20 is not ignored.
£20	Where the applicant receives earnings from employment as a parttime fire fighter, auxiliary coastguard, manning or launching a lifeboat or being a member of any territorial or reserve force. (NB £20 in total for couples if they are both employed in this way.)
£5	Single person where £20 is not ignored.
All	Earnings of a child or young person.

Where £20 of an applicant's earnings are ignored under the above provisions within a period of 8 weeks of reaching pension age, and they continue in employment, £20 of their earnings continue to be ignored, providing there is entitlement to council tax reduction. This also applies if there is a break which does not exceed 8 weeks in either their employment or

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<sup>38</sup> The specified payments are retainers, compensation for unfair dismissal, payments deemed to be earnings, guarantee payments, and remuneration on suspension from work on medical or maternity grounds following a complaint to an employment tribunal.

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entitlement to council tax reduction, following the first day in respect of which an award of council tax reduction is made under this scheme.

If earnings are paid abroad and cannot be transferred to the United Kingdom they are ignored whilst the situation exists. If earnings paid in a different currency have to be converted into sterling, any banking charge or commission is ignored.

In addition to the amounts listed in the table above a further £17.10 is ignored where the applicant:

- qualifies for a 30-hour element in the calculation of their Working Tax Credit;
- is aged at least 25 and who works for at least 30 hours a week or who has a partner who does so;
- has a partner and one of them is working 16 hours or more a week and whose family includes at least one child or young person;
- is a lone parent working 16 hours a week or more;
- is working or their partner is working 16 hours or more a week and is entitled to a disability premium, a work-related activity component or a support component of Employment and Support Allowance.

### Appendix 4 - Income other than earnings that is ignored fully or in part (pensioners only)

#### ***(This appendix applies only to pensioners)***

##### *Income wholly ignored – benefit payments:*

- Attendance Allowance, Disability Living Allowance, Personal Independence Payment Armed Forces Independence Payment and any mobility supplement paid to members of the armed forces;
- War Disablement Pension, a War Widow's or War Widower's Pension, Service Attributable pensions relating to War Disability and certain analogous payments;
- Christmas bonus for pensioners;
- Guardian's Allowance;
- Child Benefit;
- Housing Benefit;
- Discretionary Housing Payments;
- payments made under a local welfare provision (formerly part of the Social Fund);
- any increase in the rate of social security benefits for a dependant who is not a member of the applicant's family.
- any amount of Carer Support Payment that is in excess of the amount the applicant would receive if they had an entitlement to Carer's Allowance.

##### *Income wholly ignored – expenses:*

- any payment made for expenses incurred for unpaid voluntary work;

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- payments arising from participation in consultation exercises undertaken by certain public bodies;
- payments for expenses to attend a court of law (for example, travel, subsistence and accommodation), for example to attend jury service or when acting as a witness;
- payments for NHS travelling expenses and remission of charges made by the NHS;
- any payment of expenses in respect of an employed earner that is 'wholly, exclusively and necessarily incurred'.

### *Income wholly ignored – other:*

- charitable and voluntary payments, but not where the payment is made by a former partner of the applicant, or former partner of any member of the applicant's family or the parent of a child or young person where they are a member of the applicant's family;
- any of the following payments made to the applicant in consequence of their personal injury: from a trust, from an annuity following any agreement or court order or from funds derived from a payment made, or from a payment received under any agreement or court order; but not where the payment is made by a former partner of the applicant, or former partner of any member of the applicant's family or the parent of a child or young person where they are a member of the applicant's family;
- any payment made to the applicant as a holder of the Victoria Cross, the George Cross or any analogous payment;
- payments made from the Macfarlane and similar trusts, and certain analogous payments;
- any payment made under the Assisted Prison Visit's Scheme set up to help relatives or other persons to visit persons in custody;
- payments akin to education maintenance allowance;
- training allowances paid under section 2 of the Employment and Training Act 1973 except where they are paid instead of a social security benefit or they are paid for cost-of-living expenses;<sup>39</sup>
- any payment made under the Employment Services Access to Work scheme for disabled people;
- direct payments made to disabled people to buy services and direct payments in lieu of health care;
- payments made by a local authority to enable the applicant or their partner to live independently;
- payments made in consequence of a reduction in council tax;
- a parental contribution taken into account in calculating a student's grant or loan, and payments where there is not a grant or loan up to a limited extent;

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<sup>39</sup> These cost-of-living expenses are for food, ordinary clothing or footwear, household fuel or rent, or any council tax or water charges for which the applicant (or a member of their family) is liable.

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- payments made to the applicant by a child, young person or non-dependant;
- child maintenance payments except when paid by the applicant or their partner (working-age applicants);
- certain payments made in respect of adoption, fostering and provision of respite care;
- payments made in lieu of vouchers for Healthy Start food and vitamins or for milk tokens;
- income in kind;
- income derived from capital in most circumstances;
- income from abroad that cannot be transferred to the United Kingdom;
- any banking charges or commission to convert a payment of income into sterling;
- payments received under an insurance policy taken out against the risk of being unable to maintain certain loan repayments, but only to the extent that the payments cover the applicant's loan commitments together with any premiums;
- income from an annuity purchased with a loan, taken out by a pensioner and secured on a home in which the applicant lives;
- discretionary payments made to a pensioner by a trust (unless paid to meet living expenses or housing costs in which case only up to £20 of the income is ignored);
- Tax on income which is otherwise taken into account;
- payments of income which are treated as capital under this scheme;
- payments in respect of certain NHS charges, for example dental treatment;
  
- sports awards, unless they are intended for specified basic needs.<sup>40</sup>
- payments made in connection with the Homes for Ukraine scheme.<sup>41</sup>

### *Income partially ignored*

- £15 of any Widowed Mother's Allowance or Widowed Parents' Allowance;
- £15 of maintenance payments in respect of a child or young person (pensioners);
- £20 of payments to the applicant made by sub-tenants of the applicant's home with a formal liability to pay rent;
- £20 of payments made by a boarder plus half the amount in excess of £20;
- payments of Working Tax Credit up to £17.10 where the full £17.10 cannot be ignored under [Appendix 3](#) of this scheme.

(Some income ignored is subject to an overall maximum of £20.)

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<sup>40</sup> See footnote 43 above for the definition of basic needs.

<sup>41</sup> the Homes for Ukraine scheme means the Homes for Ukraine sponsorship scheme which was announced in Parliament on 14<sup>th</sup> March 2022. See regulation 17 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, inserted by the [Council Tax Reduction Schemes \(Prescribed Requirements\) \(England\) \(Amendment\) Regulations 2023](#).

Appendix 5 - Capital that is ignored<sup>42</sup>

***(This appendix does not apply to applicants receiving Universal Credit<sup>43</sup>)***

*Property*

- the dwelling normally occupied by the applicant as their home including any garden, garage and outbuildings;
- premises occupied wholly or partly by a partner, relative or any member of the applicant's family as their home where that person has attained the qualifying age for State Pension Credit or is incapacitated;<sup>48</sup>

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<sup>42</sup> See Schedule 6 to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 for a full list.

<sup>43</sup> Subject to paragraph 25 of this scheme (circumstances where the Council uses its own figures for capital). In most cases, the Council uses the amount of capital decided by DWP in the Universal Credit claim and this will exclude capital disregarded in accordance with [Schedule 10 of the Universal Credit Regulations 2013](#).<sup>48</sup> The term 'incapacitated' is not defined but should be given its broad meaning.

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- premises occupied by a former partner as their home providing that the applicant is not estranged or divorced from their former partner, nor where the applicant had formed a civil partnership that has been dissolved;
- any premises that the applicant acquires, or is taking legal advice or proceedings to possess, and intends to occupy as their home within 26 weeks from the date of acquisition, or from the date on which they took legal advice or proceedings, or within a longer period if the Council considers reasonable;
- any sum solely attributable to the sale of premises formerly occupied by the applicant as their home which is to be used for the purchase of other premises that they intend to occupy as their home within 26 weeks of the sale, or a longer period if the Council considers reasonable and necessary to secure the purchase;
- the applicant's former home which they left following estrangement, divorce or dissolution of a civil partnership for a period of 26 weeks from the date on which the applicant left the home. Where the applicant's former home is occupied by the former partner who is a lone parent, the value of the home is ignored so long as the former partner continues to occupy the home;
- for 26 weeks or longer if reasonable, the value of any premises which the applicant is taking reasonable steps either to dispose of, or to obtain possession of, or which they intend to occupy after essential repairs or alterations;
- for 26 weeks or longer if reasonable, any grant made by a local authority in order to help purchase premises that an applicant intends to occupy as their home or for essential repairs or alterations to be carried out and make fit for occupation;
- deposits held by a housing association, and (for 26 weeks or a longer period if the Council considers reasonable) deposits that were so held and earmarked for buying a home;
- for a period of 52 weeks, any sum of money paid to, or on behalf of, the applicant for the sole purpose of buying a property which they intend to occupy as their home, or to meet the cost of essential repairs or alterations to that home;
- any future interest in property (for example where a person has been left property for life that the applicant is due to inherit on their death) but not where the applicant has granted a lease or tenancy including sub-leases or sub-tenancies;
- payments for repair to, or replacement of, personal possessions, repairs or improvements to the home, for a period of 26 weeks or a longer period if the Council considers it reasonable;
- for a period of 52 weeks, payments under an insurance policy for the loss or damage to the property, occupied by the applicant as their home, and their personal possessions;
- the business assets owned wholly or partly by the applicant while working for the business, but where they cease working, the value of the business assets are ignored

only for a period in which the Council decides is reasonable to allow for the disposal of such assets;

- the business assets owned wholly or in part by the applicant where they would be working but for an illness or disability, and intends to re-engage in that business on recovery, for a period of 26 weeks, or within a longer period that the council considers reasonable.

### *Benefits*

- capital already taken into account when the applicant is receiving, Income Support, income-based Jobseeker's Allowance, or income-related Employment and Support Allowance;
- payments of arrears or compensation in respect of any specified benefit<sup>44</sup>, discretionary housing payment, and tax credit, for a period of 52 weeks from the date of receipt of those arrears;
- payments made under a local welfare provision (formerly part of the Social Fund) sometimes known as occasional assistance;
- any payment of a Widowed Parent's Allowance made to the survivor of a cohabiting partnership following the death of their partner, who was entitled to Widowed Parent's Allowance before 9th February 2023, and in respect of the period ending the day before a claim for Widowed Parent's Allowance is made. The payment is ignored for a period of 52 weeks from the date of receipt or 1<sup>st</sup> April 2024, whichever is later;
- any payment of a Bereavement Support Payment made for the first month of entitlement, for a period of 52 weeks from the date of receipt of the payment;
- any payment of a Bereavement Support Payment made to the survivor of a cohabiting partnership, following the death of their partner, who was entitled to Bereaved Support payment before 9th February 2023 at the higher rate and the payment is for more than one month's entitlement. The payment is ignored for a period of 52 weeks from the date of receipt or 1<sup>st</sup> April 2024, whichever is later;
- any payment to rectify or compensate for an official error relating to specified social security benefits, but where the payment is £5,000 or more, only as long as the payment is made on or after the date on which council tax reduction is awarded and only for the duration of that award;
- where an applicant is entitled to council tax reduction solely through the alternative council tax reduction route (see [Appendix 2](#)), all their capital is ignored.

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<sup>44</sup> See paragraph 21(2) of Schedule 6 to Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended) for a list of specified benefits.

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### *Compensation*

- any payments made from the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies trust or the London Bombings Relief Charitable Fund; any Grenfell Tower support payment, a historical child abuse payment, a Windrush payment, the Victims of Overseas Terrorism Compensation Scheme, Post Office compensation payment, or a Vaccine Damage Payment;
- any payment out of the estate of a person made under the Scottish Infected Blood Scheme or an approved blood scheme where the payment is made to the person's son, daughter, step-son or step-daughter;
- any payment out of the estate of a person, which derives from a payment made under or by the Scottish Infected Blood Support Scheme or an approved blood scheme to the estate of the person as a result of that person having been infected from contaminated blood products.
- any lump-sum payments made from the Armed Forces Compensation Scheme;
- any payment made to the applicant or their partner as a result of personal injury but only for a period of 52 weeks;
- compensation paid to children and young people for personal injury, or the death of a parent, while the capital is held by a court or administered by a responsible person;
- any £10,000 ex gratia payment made as a result of imprisonment or internment by the Japanese during the Second World War;
- the value of certain trust funds derived from payments made as a result of personal injury;
- certain trust payments made to the applicant or a member of their family to compensate those who suffer from or who have died from variant Creutzfeldt-Jakob disease;
- payments made to people who were slaves or forced labourers, suffered property loss or personal injury, or who were parents of a child who died during the Second World War;
- payments made to those with an annuity policy from the Equitable Life Assurance Company.

### *Other*

- personal possessions unless they have been bought to secure or increase entitlement to council tax reduction;
- cash payments made by a local authority to help children in need;

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- payments made by a local authority to a person aged 18 or over who was formerly in the applicant's care and continues to live with the applicant and who gives the payments to the applicant;
- payments made by a local authority under the Energy Rebate Scheme 2022<sup>45</sup>
- any other payments made by the Government to help with the cost of living;
- any payment made in connection with the Homes for Ukraine scheme;<sup>46</sup>
- any payments in kind made by a charity, or made from the MacFarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the CaXton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies trust or the London Bombings Relief Charitable Fund; any Grenfell Tower support payment, a historical child abuse payment, a Windrush payment, the Victims of Overseas Terrorism Compensation Scheme, Post Office compensation payment, or a Vaccine Damage Payment;
- any payment other than a training allowance made to assist disabled people to obtain or retain employment;
- any payment made for travelling or other expenses relating to participation in a recognised work programme;
- payments made to help people select, train for, obtain and retain employment under the Employment and Training Act 1973;
- for 52 weeks, any payment to a self-employed person in order to establish or develop their business;
- any payment made by a local authority to a blind homeworker under specified provisions;
- any payment made to the applicant as holder of the Victoria or George Cross;
- payments akin to an education maintenance allowance;
- for 52 weeks, any arrears of subsistence allowance;
- for 52 weeks, payments made by a local authority intended to enable an applicant or their partner to live independently in their accommodation;

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<sup>45</sup> the Energy Rebate Scheme 2022 means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022. See regulation 16 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, inserted by the Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 – SI 2022/127.

<sup>46</sup> the Homes for Ukraine scheme means the Homes for Ukraine sponsorship scheme which was announced in Parliament on 14<sup>th</sup> March 2022. See regulation 17 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, inserted by the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2023.

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- any direct payments for health care;
- certain payments made in respect of adoption, fostering and guardianship support;
- for 52 weeks, payments made in respect of certain NHS charges, hospital travel costs, payments in lieu of Healthy Start food vouchers, milk tokens or the supply of vitamins, and for assisted prison visits;
- the surrender value of annuities or the right to receive income under them;
- the surrender value of any life insurance policy;
- where a payment of capital is made by instalments, the value of the right to receive outstanding instalments;
- for 26 weeks, sports awards unless intended for basic needs;<sup>47</sup>
- the value of the right to receive any income payable abroad which cannot be transferred to the United Kingdom;
- any banking charges or commission to convert a payment of capital into sterling;
- the right to receive any income under a life interest or life rent;
- the value of any funeral plan contract;
- the value of the right to receive an occupational or personal pension;
- the value of the right to receive any rent except where the applicant has a reversionary interest in the property where rent is due;
- the value of any funds held under a personal pension scheme;
- any lump sum payments of retirement pension, graduated retirement benefit, or state pension when entitlement to a pension has been deferred, for as long as the applicant chooses the lump sum option.<sup>48</sup>

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<sup>47</sup> The basic needs are food, ordinary clothing or footwear, household fuel or rent, or any council tax or water charges for which the applicant (or a member of their family) is liable.

<sup>48</sup> The circumstances where a lump sum option is available are set out in Schedule 5 and 5A to [Social Security Contributions and Benefits Act 1992](#), Schedule 1 to the [Social Security \(Graduated Retirement Benefit\) Regulations 2005](#), and section 8(2) of the [Pensions Act 2014](#).

