

Appendix 4 – Alternative Council Tax Support scheme for 2013/14

Pensioners

1.1 A national scheme will exist for pensioners. Details of the national scheme for pensioners are set out in the Department for Communities and Local Government's Statement of Intent published on 21st May 2012. In effect the pensioner scheme will mirror the current scheme of Council Tax Benefit for pensioners.

Working Age customers

1.2 The local scheme proposal is to limit the level of Council Tax support for the majority of customers to a minimum of 70% of entitlement as calculated under the current Council Tax Benefit scheme (which will be replicated in the national default scheme for working age customers from April 2013). A number of customers will continue to receive Council Tax Support equivalent to 100% of their entitlement under the current Council Tax Benefit scheme and proposed national default.

1.3 The local Council Tax Support scheme, therefore, will have two main working age classes each of which will have a number of qualifying criteria. The Government intends to prescribe that persons from abroad with limited leave to remain in the UK will be exempt from receiving support under local schemes of Council Tax Support.

1.4 An outline of the scheme is set out below and a more detailed description of the scheme will be published as part of the consultation process.

1.5 **Class 1** – these are customers who will continue to receive Council Tax Support equivalent to 100% of their entitlement under the current Council Tax Benefit scheme and proposed national default scheme for working age customers.

1.5 A customer falling within Class 1 will:

- be a lone parent with a child under the age of 5; or
- qualify for a severe disability premium or enhanced disability premium as set out in the current Council Tax Benefit scheme; or
- be in receipt of a War Pension or War Widows Pension

1.6 The three conditions that qualify for a severe disability premium are:

- The householder must be in receipt of the high or middle rate care component of disability living allowance or receive Attendance Allowance **and**
- The householder must not be being looked after by someone who receives carer's allowance for looking after them **and**
- The householder must have no one living with them aged over 18 years unless that person is registered blind or in receipt of high or middle rate care component of disability living allowance or receive Attendance Allowance.

If couple and both satisfy the criteria but someone receives carers allowance to look after one of them the severe disability premium is awarded at single person rate.

1.7 The qualifying criteria for an enhanced disability premium is:

- The householder and partner (if any) are aged under 60yrs and
- the householder or partner (if any) receive the highest rate of the care component of disability living allowance
- In the case of a couple the couple rate is awarded even if only one partner qualifies.

This premium can also be awarded in respect of a child or young person in the family. The criteria are that a child or young person in the family must receive the highest rate of the care component of disability living allowance.

1.8 Class 2 – these are customers who do not fall within Class 1 and who will have their Council Tax Support limited to 70% of their entitlement as calculated under the current Council Tax Benefit scheme and proposed national default scheme for working age customers

General qualifying criteria for the local Council Tax Support scheme

1.9 The rules for the local scheme of Council Tax Support will reflect the current rules under the Council Tax Benefit scheme and, from April 2013, the national default scheme. Applicants will:

- not yet have reached the qualifying age for state pension credit;
- be liable to pay council tax in respect of a dwelling in which they are resident;
- not have capital or savings above £16,000;
- have applied for the scheme.

1.10 Where an applicant's income is greater than his living allowance, 20% of the difference between the two will continue to be subtracted from this individual's maximum council tax liability:

- For an applicant falling within Class 1 this will be their Council Tax Support entitlement less any non-dependent deductions;
- For an applicant falling within Class 2 this will be the Council Tax Support entitlement (less any non-dependent deductions, which will be subject to a 10% reduction);
- Non-dependent deductions will continue to be calculated in line with the current Council Tax Benefit scheme as updated by the national default scheme,
- *living allowance* or *applicable amount* will also continue to be calculated in line with the current Council Tax Benefit scheme as updated by the national default scheme; and
- Income and capital, including tariff income from capital, will continue to be calculated in line with the current Council Tax Benefit scheme as updated by the national default scheme

1.11 Entitlement to local Council Tax Support will start on the Monday of the week after the application is made. The current backdating rules, which allow claims to be backdated for up to 6 months, will continue to apply.

Changes of circumstance will continue to need to be reported and will continue to be treated in line with the current Council Tax Benefit scheme