



**Council Tax Reduction Scheme  
S13A and Schedule 1a of the Local Government  
Finance Act 1992  
Effective from 1<sup>st</sup> April 2024**

**Incl: SI 2024 No 29**

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## **Part 1 – Application of this Scheme**

### **1 Introduction to the Council Tax Reduction Scheme (Council tax reduction)**

- 1.1. The following has been adopted by Babergh District Council as its Council Tax Reduction scheme with effect from 1<sup>st</sup> April 2024.
- 1.2. This document details how the scheme will operate for applicants of state pension age and working age applicants and in accordance with Section 13a of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1<sup>st</sup> April 2024.

### **The Scheme for state pension age applicants – Central Government’s Scheme as defined by The Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 (as amended).**

- 1.3. The scheme in respect of state pension age applicants is defined by Central Government within the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 and the Local Government Finance Act 1992 (as amended). The Council has **no** discretion in relation to the calculation of council tax reduction in respect of the pension age scheme and it is designed to provide broadly the same level of support provided within the previous Council Tax Benefit scheme. The rates for pensioners will be up rated by the relevant Statutory Instrument each year, in line with the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations as applicable.

### **The Scheme for Working Age Applicants – The Authority’s Local Scheme**

- 1.4. The adopted scheme for working age applicants is a means test, which compares income against an assessment of living allowances or applicable amount (unless otherwise stated). Full details of the working age scheme of the authority are contained within this document. The authority is required to specify a scheme for working age applicants and therefore this scheme only applies to a person who:
  - 1.4.1. Has not attained the qualifying age for a state pension; or
  - 1.4.2. Has attained the qualifying age for a state pension if he, or his partner, is a person entitled to income support, an income-based jobseeker’s allowance, an income related employment and support allowance or a Universal Credit award.
- 1.5. This scheme shall not apply in relation to any person if he, or his partner (if any), has attained the qualifying age for state pension credit except a person as defined in 1.4.2. above.
- 1.6. This scheme shall not apply to any person who is subject to immigration control under Section 115 of the Immigration and Asylum Act 1999.
- 1.7. This scheme shall not apply to any EEA National who is not economically active.
- 1.8. The Authority has resolved that there will be three classes of person who will receive a reduction in line with the adopted scheme (hereinafter referred to as Support). In all cases a person must not be of a prescribed class exempted from support as specified within this scheme.

**Class D: persons who are not pensioners whose income is no greater than the applicable amount**

- 1.9. To obtain support the individual, or partner, must:
- 1.9.1. Have not attained the qualifying age for a state pension;
  - 1.9.2. Having attained the qualifying age for a state pension and he, or his partner, is a person entitled to income support, an income-based jobseeker's allowance, an income related employment and support allowance;
  - 1.9.3. Be liable to pay council tax in respect of a dwelling of which he is solely or mainly resident;
  - 1.9.4. Is not deemed to be absent from the dwelling;
  - 1.9.5. Not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A of the Local Government Finance Act 1992 and excluded from the authority's scheme;
  - 1.9.6. Be someone in respect of whom a maximum council tax reduction amount can be calculated;
  - 1.9.7. Not have capital exceeding £16,000;
  - 1.9.8. Be a person in respect of whom a day on which he is liable to pay council tax falls within a week in respect of which his income is less than their applicable amount or the person or their partner is in receipt of income support, an income-based jobseeker's allowance, an income-based employment and support allowance, and;
  - 1.9.9. He has made a valid claim for support.

Maximum council tax support is defined in paragraph 57.

**Class E: persons who are not pensioners whose income is greater than the applicable amount**

- 1.10. To obtain support the individual, or partner, must
- 1.10.1. Have not attained the qualifying age for a state pension;
  - 1.10.2. Having attained the qualifying age for a state pension and whose partner, is a person not entitled to an award of Universal Credit income support, an income-based jobseeker's allowance, an income related employment and support allowance;
  - 1.10.3. Be liable to pay council tax in respect of a dwelling of which he is solely or mainly resident;
  - 1.10.4. Is not deemed to be absent from the dwelling;
  - 1.10.5. Not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A of the Local Government Finance Act 1992 and excluded from the authority's scheme;
  - 1.10.6. Be someone in respect of whom a maximum council tax reduction amount can be calculated;
  - 1.10.7. Not have capital exceeding £16,000;

1.10.8. Be a person in respect of whom a day on which he is liable to pay council tax falls within a week in respect of which his income is more than their applicable amount.

1.10.9. He has made a valid claim for support

1.10.10. Be a person in respect of whom amount A exceeds amount B where:

1.10.10.1. Amount A is the maximum council tax reduction in respect of the day in the person's case; and

1.10.10.2. Amount B is 20 percent of the difference between his income for the relevant week and his applicable amount.

Maximum council tax support is defined in paragraph 57.

**Class F persons who are entitled to an award of Universal Credit:**

1.11.0. To obtain support the individual, or partner, must

1.11.1. Have not attained the qualifying age for a state pension;

1.11.2. Having attained the qualifying age for a state pension and whose partner, is a person entitled to an award of Universal Credit;

1.11.3. Be liable to pay council tax in respect of a dwelling of which he is solely or mainly resident;

1.11.4. Is not deemed to be absent from the dwelling;

1.11.5. Not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A of the Local Government Finance Act 1992 and excluded from the authority's scheme;

1.11.6. Be someone in respect of whom a maximum council tax reduction amount can be calculated;

1.11.7 Not have capital exceeding £16,000;

1.11.8 Be a person in respect of whom a day on which he is liable to pay council tax falls within a week in respect of which his income includes an award of Universal Credit where either earned income is not assessed, or whose monthly earned income as assessed by the Secretary of State under Part 6, Chapter 2 of the Universal Credit Regulations 2013, falls within one of the agreed income bands detailed in Schedule 5;

1.11.9 He has made a valid claim or is treated as having made an application for support.

1.11.10. Be a person in respect of whom amount A exceeds amount B where:

1.11.10.1. Amount A is the maximum council tax reduction in respect of the day in the person's case; and

1.11.10.2. Amount B is the calculated contribution requirement based on the declared earnings.

Maximum council tax support is defined in paragraph 57.

## Part 2 – Definitions and Interpretation

### 2 Interpretation

2.1. in this Scheme

“**the Act**” means the Social Security Contributions and Benefits Act 1992;

“**the Administration Act**” means the Social Security Administration Act 1992;

“**the 1973 Act**” means the Employment & Training Act 1973;

“**the 1992 Act**” means the Local Government Finance Act 1992;

“**the 2000 Act**” means the Electronic Communications Act 2000;

“**Abbeyfield Home**” means an establishment run by the Abbeyfield Society including all bodies corporate or unincorporated which are affiliated to that society;

“**adoption leave**” means a period of absence from work on ordinary or additional adoption leave by virtue of section 75A or 75B of the Employment Rights Act 1996

“**adult disability payment**” has the meaning given in regulation 2 of the D A W A P Regulations;

“**an AFIP**” means an armed forces independence payment payable in accordance with an armed and reserve forces compensation scheme established under section 1(2) of the Armed Forces (Pensions and Compensation) Act 2004;

“**applicable amount**” means the amount calculated in accordance with paragraph 12 to 14 and Schedule 1;

“**applicant**” means a person who has made an application. For the purposes of this scheme all references are in the masculine gender but apply equally to male and female;

“**application**” means an application for a reduction under this scheme;

“**appropriate DWP Office**” means an Office of the Department for Work & Pensions dealing with state pension credit or state pensions or which is normally open to the public for the receipt of claims for any state benefit;

“**approved blood scheme**” means a scheme established or approved by the Secretary of State, or trust established with funds provided by the Secretary of State, for the purpose of providing compensation in respect of a person having been infected from contaminated blood products;

“**assessment period**” means such period as is set out in part 5 over which income falls to be calculated;

“**attendance allowance**” means;

- (a) an attendance allowance under Part 3 of the SSCBA;
- (b) an increase of disablement pension under section 104 or 105 of that Act;
- (c) a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983 or any analogous payment; or

(d) any payment based on need for attendance which is paid as part of a war disablement pension;

**“the authority”** means a billing authority in relation to whose area this scheme has effect by virtue of paragraph 4(6) of Schedule 1A to the 1992 Act;

**“basic rate”** has the meaning given by the Income Tax Act 2007;

**“the benefit Acts”** means the Social Security Contributions and Benefits Act, the Jobseekers Act 1995, the State Pension Credit Act 2002 and the Welfare Reform Act 2007;

**“board and lodging accommodation”** means accommodation provided to a person or, if he is a member of a family, to him or any other member of his family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises;

**“care home”** has the meaning given by section 3 of the Care Standards Act 2000 and in Scotland means a care home service within the meaning given by section 2(3) of the Regulation of Care (Scotland) Act 2001 and in Northern Ireland means a nursing home within the meaning of Article 11 of the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003 or a residential care home within the meaning of Article 10 of that Order;

**“the Caxton Foundation”** means the charitable trust of that name established on 28th March 2011 out of funds provided by the Secretary of State for the benefit of certain persons suffering from hepatitis C and other persons eligible for payment in accordance with its provisions;

**“child”** means a person under the age of 16;

**“child benefit”** has the meaning given by section 141 of the Social Security Contributions and Benefits Act;

**“child disability payment”** has the meaning given by regulation 2 of DACYP Regulations;

**“child tax credit”** means a child tax credit under section 8 of the Tax Credits Act 2002;

**“claim”** means a claim for a council tax reduction;

**“close relative”** means a parent, parent-in-law, son, son-in-law, daughter, daughter-in-law, step-parent, step-son, step-daughter, brother, sister, or if any of the preceding persons is one member of a couple, the other member of that couple;

**“concessionary payment”** means a payment made under arrangements made by the Secretary of State with the consent of the Treasury which is charged either to the National Insurance Fund or to a Departmental Expenditure Vote to which payments of benefit or tax credits under the benefit Acts or the Tax Credits Act 2002 are charged;

**“the Consequent Provisions Regulations”** means the Housing Benefit & Council Tax Benefit (Consequent Provisions) Regulations 2006;

**“contributory employment and support allowance”** means an allowance under part 1 of the Welfare Reform Act 2007 as amended by the provisions of Schedule 3, and part 1 of Schedule 14, to the Welfare Reform Act 2012 that removes references to an income-related allowance and a contributory allowance under part 1 of the Welfare reform Act 2007 as that part has effect apart from those provisions;

**“council tax benefit”** means council tax benefit under Part 7 of the Social Security Contributions and Benefits Act;;

**“couple”** means;

- (a) A man and a woman who are married to each other and are members of the same household;
- (b) A man and a woman who are not married to each other but are living together as husband and wife;
- (c) Two people of the same sex who are civil partners of each other, or are married to each other and are members of the same household;
- (d) Two people of the same sex who are not civil partners of each other and are not married to each other but are living together as if they were civil partners or married to each other;

Two people of the same sex are to be treated as living together as if they were civil partners or married to each other if, and only if, they would be treated as living together as husband and wife were they of opposite sexes;

**“the DACYP Regulations”** means Disability Assistance for Children and Young People (Scotland) Regulations 2021 (a)

**“the DAWAP Regulations”** means the Disability Assistance for Working Age People (Scotland) Regulations 2022 (a).

**“date of claim”** means the date the application is made, or treated as made, for the purposes of this scheme;

**“designated authority”** means the local authority or any person providing services to, or authorized to exercise the functions of, any such authority;

**“designated office”** means the office of the authority designated by it for the receipt of application;

- (a) by notice upon or with a form supplied by it for the purpose of making an application; or
- (b) by reference upon or with such a form to some other document available from it and sent by electronic means or otherwise on application and without charge; or
- (c) by any combination of the provisions set out in paragraphs (a) and (b);

**“disability living allowance”** means a disability living allowance under section 71 the Act;;

**“dwelling”** has the meaning given in section 3 or 72 of the 1992 Act;

**“earnings”** has the meaning given by part 5;

**“the Eileen Trust”** means the charitable trust of that name established on 29th March 1993 out of funds provided by the Secretary of State for the benefit of persons eligible for payment in accordance with its provisions;

**“electronic communication”** has the same meaning as in section 15(1) the 2000 Act;

**“employed earner”** is to be construed in accordance with section 2(1)(a) of the Act and also includes a person who is in receipt of a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay or statutory maternity pay;

**“the Employment, Skills and Enterprise Scheme”** means a scheme under section 17A (schemes for assisting persons to obtain employment: “work for your benefit” schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to assist claimants for jobseekers allowance to obtain employment, including self-employment, and which may include for any individual work-related activity (including work experience or job search);

**“employment zone”** means an area within Great Britain designated for the purposes of section 60 of the Welfare Reform and Pensions Act 1999 and an **“employment zone programme”** means a programme established for such an area or areas designed to assist claimants for a jobseeker's allowance to obtain sustainable employment;

**“enactment”** includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament or the National Assembly for Wales;

**“extended reduction”** means a reduction under this scheme for which a person is eligible under Part 8;

**“extended reduction period”** means the period for which a person is in receipt of an extended reduction in accordance with paragraph 61;

**“extended reduction (qualifying contributory benefits)”** means a reduction under this scheme for which a person is eligible in accordance with paragraph 66;

**“family”** has the meaning given by part 3;

**“the Fund”** means moneys made available from time to time by the Secretary of State for the benefit of persons eligible for payment in accordance with the provisions of a scheme established by him on 24th April 1992 or, in Scotland, on 10th April 1992;

**“the Grenfell Tower charitable funds”** means the funds identified in the document entitled “Charity Commission for England and Wales – Grenfell Tower charitable funds update – 29th January 2019”(a);

**“the Grenfell Tower Residents’ Discretionary Fund”** means the £5 million fund announced on 16th June 2017 and administered by Westminster City Council for the benefit of households affected by the fire at Grenfell Tower on 14th June 2017;

**“Grenfell Tower Support Payment”** means a payment made for the purpose of providing compensation or support in respect of the fire on 14th June 2017 at Grenfell Tower;”;

**“guarantee credit”** is to be construed in accordance with sections 1 and 2 of the State Pension Credit Act 2002;

**“a guaranteed income payment”** means a payment made under article 15(1)(c) (injury benefits) or 29(1)(a) (death benefits) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011;

**“historical child abuse payment”** means a payment made under—

(a) Part 1 of the Historical Institutional Abuse (Northern Ireland) Act 2019;

(b) Part 4 of the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021;

**“Horizon System”** means any version of the computer system used by the Post Office known as Horizon, Horizon Legacy, Horizon Online or HNG-X;

**“He, him or his”** also refers to the feminine under this scheme;

**“housing benefit”** means housing benefit under Part 7 of the Social Security Contributions and Benefits Act;

**“Immigration and Asylum Act”** means the Immigration and Asylum Act 1999;

**“an income-based jobseeker's allowance”** and **“a joint-claim jobseeker's allowance”** have the meanings given by section 1(4) of the Jobseekers Act 1995;

**“income-related employment and support allowance”** means an income-related allowance under Part 1 of the Welfare Reform Act 2007;

**“independent hospital”**

(a) in England means a hospital as defined by section 275 of the National Health Service Act 2006 that is not a health service hospital as defined by that section;

(b) in Wales has the meaning given by section 2 of the Care Standards Act 2000; and

(c) in Scotland means an independent health care service as defined by section 10F of the National Health Service (Scotland) Act 1978;

**“the Independent Living Fund (2006)”** means the Trust of that name established by a deed dated 10th April 2006 and made between the Secretary of State for Work and Pensions of the one part and Margaret Rosemary Cooper, Michael Beresford Boyall and Marie Theresa Martin of the other part;

**“invalid carriage or other vehicle”** means a vehicle propelled by a petrol engine or by electric power supplied for use on the road and to be controlled by the occupant;

**“Jobseekers Act”** means the Jobseekers Act 1995;

**“Jobseekers Allowance Regulations”** means the Jobseekers Allowance Regulations 1996;

**“limited capability for work”** has the meaning given in Section 1(4) of the Welfare Reform Act;

**“limited capability for work-related activity”** has the meaning given in section 2(5) of the Welfare Reform Act;

**“the London Bombings Relief Charitable Fund”** means the company limited by guarantee (number 5505072), and registered charity of that name established on 11th July 2005 for the purpose of (amongst other things) relieving sickness, disability or financial need of victims (including families or dependants of victims) of the terrorist attacks carried out in London on 7th July 2005;

**“the London Emergencies Trust”** means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017;

**“lone parent”** means a person who has no partner and who is responsible for and a member of the same household as a child or young person;

**“the Macfarlane (Special Payments) Trust”** means the trust of that name, established on 29th January 1990 partly out of funds provided by the Secretary of State, for the benefit of certain persons suffering from haemophilia;

**“the Macfarlane (Special Payments) (No. 2) Trust”** means the trust of that name, established on 3rd May 1991 partly out of funds provided by the Secretary of State, for the benefit of certain persons suffering from haemophilia and other beneficiaries;

**“the Macfarlane Trust”** means the charitable trust, established partly out of funds provided by the Secretary of State to the Haemophilia Society, for the relief of poverty or distress among those suffering from haemophilia;

**“main phase employment and support allowance”** means an employment and support allowance where the calculation of the amount payable in respect of the applicant includes a component under section 2(1)(b) or 4(2)(b) of the Welfare Reform Act 2007 or the applicant is a member of the work-related activity group, except in Part 1 of Schedule 3;

**“the Mandatory Work Activity Scheme”** means a scheme within section 17A of the Jobseekers Act;

**“maternity leave”** means a period during which a woman is absent from work because she is pregnant or has given birth to a child, and at the end of which she has a right to return to work either under the terms of her contract of employment or under Part 8 of the Employment Rights Act 1996;

**“maximum council tax reduction amount”** means the amount determined in accordance with paragraph 57;

**“member of a couple”** means a member of a married or unmarried couple;

**“MFET Limited”** means the company limited by guarantee (number 7121661) of that name, established for the purpose in particular of making payments in accordance with arrangements made with the Secretary of State to persons who have acquired HIV as a result of treatment by the NHS with blood or blood products;

**“mobility supplement”** means a supplement to which paragraph 13 of Schedule 8 refers;

**“mover”** means an applicant who changes the dwelling in which the applicant is resident, and in respect of which the applicant is liable to pay council tax, from a dwelling in the area of the authority to a dwelling in the area of a second authority;

**“net earnings”** means such earnings as are calculated in accordance with part 5;

**“net profit”** means such profit as is calculated in accordance with paragraph 29;

**“new dwelling”** means, for the purposes of the definition of “second authority” and part 8, the dwelling to which an applicant has moved, or is about to move, in which the applicant will be resident;

**“non-dependant”** has the meaning given by paragraph 3;

**“occasional assistance”** means any payment or provision made by a local authority, the Welsh Ministers or the Scottish Ministers for the purposes of:

(a) meeting, or helping to meet an immediate short-term need

(i) arising out of an exceptional event or exceptional circumstances,  
or

(ii) that needs to be met to avoid a risk to the well-being of an individual, and

(b) enabling qualifying individuals to establish or maintain a settled  
home, and-

**(i) “local authority”** has the meaning given by section 270(1) of the Local Government Act 1972; and

**(ii) “qualifying individuals”** means individuals who have been, or without the assistance might otherwise be:

(aa) in prison, hospital, an establishment providing residential care or other institution, or

(bb) homeless or otherwise living an unsettled way of life; and **“local authority”** means a local authority in England within the meaning of the Local Government Act 1972;

**“occupational pension”** means any pension or other periodical payment under an occupational pension scheme but does not include any discretionary payment out of a fund established for relieving hardship in particular cases;

**“occupational pension scheme”** has the same meaning as in section 1 of the Pension Schemes Act 1993;

**“ordinary clothing or footwear”** means clothing or footwear for normal daily use, but does not include school uniform or clothing or footwear used solely for sporting activities;

**“parental bereavement leave”** means leave under section 80EA of the Employment Rights Act 1996(b);”;

**“partner”**, in relation to a person, means:

(a) where that person is a member of a couple, the other member of that couple;

(b) subject to paragraph (c), where that person is polygamously married to two or more members of his household, any such member to whom he is married; or

(c) where that person is polygamously married and has an award of universal credit with the other party to the earliest marriage that still subsists, that other party to the earliest marriage;

**“paternity leave”** means a period of absence from work on ordinary paternity leave by virtue of section 80A or 80B of the Employment Rights Act 1996 or on additional paternity leave by virtue of section 80AA or 80BB of that Act;

**“payment”** includes part of a payment;

**“pension fund holder”** means with respect to a personal pension scheme or an occupational pension scheme, the trustees, managers or scheme administrators, as the case may be, of the scheme concerned;

**“pensionable age”** has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995;

**“pensioner”** has the meaning given by paragraph 5;

**“person on income support”** means a person in receipt of income support;

**“personal independence payment”** has the meaning given by part 4 of the Welfare Reform Act 2012;

**“person treated as not being in Great Britain”** has the meaning given by paragraph 7;

**“person who is not a pensioner”** has the meaning given by paragraph 5;

**“personal independence payment”** has the meaning given by Part 4 of the Welfare Reform Act 2012;

**“personal pension scheme”** means:

(a) a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993;

(b) an annuity contract or trust scheme approved under section 620 or 621 of the Income and Corporation Taxes Act 1988 or a substituted contract within the meaning of section 622(3) of that Act which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 to the Finance Act 2004;

(c) a personal pension scheme approved under Chapter 4 of Part 14 of the Income and Corporation Taxes Act 1988 which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(g) of Schedule 36 to the Finance Act 2004;

**“policy of life insurance”** means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life;

**“polygamous marriage”** means any marriage to which paragraph 13 applies;

**“the Post Office”** means Post Office Limited (registered number 02154540);

**“Post Office compensation payment”** means a payment made by the Post Office or the Secretary of State for the purpose of providing compensation or support which is—

(a) in connection with the failings of the Horizon system; or

(b) otherwise payable following the judgment in *Bates and Others v Post Office Ltd*;

**“qualifying age for state pension credit”** means (in accordance with section 1(2)(b) and (6) of the State Pension Credit Act 2002) (a) in the case of a woman, pensionable age; or (b) in the case of a man, the age which is pensionable age in the case of a woman born on the same day as the man;

**“qualifying contributory benefit”** means:

(a) severe disablement allowance;

(b) incapacity benefit;

(c) contributory employment and support allowance;

**“qualifying course”** means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseekers Allowance Regulations 1996;

**“qualifying income-related benefit”** means

(a) income support;

(b) income-based jobseeker's allowance;

(c) income-related employment and support allowance;

**“qualifying person”** means a person in respect of whom payment has been made from 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 Grenfell Tower support payment, an historical child abuse payment, a Windrush payment, a Post Office compensation payment or a vaccine damage payment; the London Bombings Relief Charitable Fund, The National Emergencies Trust, the Victims of Overseas Terrorism Compensation Scheme”;

**“reduction week”** means a period of seven consecutive days beginning with a Monday and ending with a Sunday;

**“relative”** means a close relative, grandparent, grandchild, uncle, aunt, nephew or niece;

**“relevant week”**, in relation to any particular day, means the week within which the day in question falls;

**“remunerative work”** has the meaning given by paragraph 10;

**“rent”** means **“eligible rent”** to which regulation 12 of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 refer, less any deductions in respect of non-dependants which fall to be made under paragraph 58 (non-dependant deductions);

**“savings credit”** is to be construed in accordance with sections 1 and 3 of the State Pension Credit Act 2002;

**“the Scottish Infected Blood Support Scheme”** means the scheme of that name administered by the Common Services Agency (constituted under section 10 of the National Health Service (Scotland) Act 1978(b));

**“second authority”** means the authority to which a mover is liable to make payments for the new dwelling;

**“self-employed earner”** is to be construed in accordance with section 2(1)(b) of the Social Security Contributions and Benefits Act;

**“self-employment route”** means assistance in pursuing self-employed earner's employment whilst participating in:

- (a) an employment zone programme;
- (b) a programme provided by or under arrangements made pursuant to section 2 of the Employment and Training Act 1973 (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990 (functions in relation to training for employment, etc.); or
- (c) the Employment, Skills and Enterprise Scheme;

**“single applicant”** means an applicant who neither has a partner nor is a lone parent;

**“the Skipton Fund”** means the ex-gratia payment scheme administered by the Skipton Fund Limited, incorporated on 25th March 2004, for the benefit of certain persons suffering from hepatitis C and other persons eligible for payment in accordance with the scheme's provisions;

**“special account”** means an account as defined for the purposes of Chapter 4A of Part 8 of the Jobseekers Allowance Regulations, or Chapter 5 of Part 10 of the Employment and Support Allowance Regulations;

“**sports award**” means an award made by one of the Sports Councils named in section 23(2) of the National Lottery etc. Act 1993<sup>48</sup> out of sums allocated to it for distribution under that section;

“**the SSCBA**” means the Social Security Contributions and Benefits Act 1992;

“**state pension credit**” means state pension credit under the State Pension Credit Act 2002;

“**statutory parental bereavement pay**” means a payment to which a person is entitled in accordance with section 171ZZ6 of the Social Security Contribution and Benefits Act 1992(c);

“**student**” has the meaning given by part 7;

“**subsistence allowance**” means an allowance which an employment zone contractor has agreed to pay to a person who is participating in an employment zone programme;

“**support or reduction week**” means a period of 7 consecutive days starting on a Monday and ending on a Sunday;

“**tax year**” means a period beginning with 6th April in one year and ending with 5<sup>th</sup> April in the next;

“**training allowance**” means an allowance (whether by way of periodical grants or otherwise) payable:

(a) out of public funds by a Government department or by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise, the Chief Executive of Skills Funding or the Welsh Ministers;

(b) to a person for his maintenance or in respect of a member of his family; and

(c) for the period, or part of the period, during which he is following a course of training or instruction provided by, or in pursuance of arrangements made with, that department or approved by that department in relation to him or so provided or approved by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise or the Welsh Ministers, but it does not include an allowance paid by any Government department to or in respect of a person by reason of the fact that he is following a course of full-time education, other than under arrangements made under section 2 of the Employment and Training Act 1973, or is training as a teacher;

“**the Trusts**” (except where the context otherwise requires) means the Macfarlane Trust, the Macfarlane (Special Payments) Trust and the Macfarlane (Special Payments) (No. 2) Trust and “**Trustees**” is to be construed accordingly;

“**universal credit**” has the meaning given by section 1 of the Welfare Reform Act 2012;

“**vaccine damage payment**” means a payment made under the Vaccine Damage Payments Act 1979(b);

“**the Victims of Overseas Terrorism Compensation Scheme**” means the scheme of that name established by the Ministry of Justice in 2012 under section 47 of the Crime and Security Act 2010(c);

“**voluntary organisation**” means a body, other than a public or local authority, the activities of which are carried on otherwise than for profit;

**“war disablement pension”** means any retired pay or pension or allowance payable in respect of disablement under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003;

**“war pension”** means a war disablement pension, a war widow's pension or a war widower's pension;

**“war widow's pension”** means any pension or allowance payable to a woman as a widow under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

**“war widower's pension”** means any pension or allowance payable to a man as a widower or to a surviving civil partner under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

**“water charges”** means:

(a) as respects England and Wales, any water and sewerage charges under Chapter 1 of Part 5 of the Water Industry Act 1991,

(b) as respects Scotland, any water and sewerage charges established by Scottish Water under a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002<sup>51</sup>, in so far as such charges are in respect of the dwelling which a person occupies as his home;

**“week”** means a period of 7 consecutive days starting on a Monday and ending on a Sunday;

**“the We Love Manchester Emergency Fund”** means the registered charity of that name (number 1173260) established on 30th May 2017;

**“the Windrush Compensation Scheme”** means—

(a) the scheme of that name operated by the Secretary of State for the purpose of compensating individuals who have suffered loss in connection with being unable to demonstrate their lawful status in the United Kingdom; and

(b) the policy entitled “Windrush Scheme: Support in urgent and exceptional circumstances which was operated by the Secretary of State for the purpose of compensating individuals who, for urgent and exceptional reasons, required support in advance of the scheme referred to in paragraph (a) of this definition becoming operational;

**“working tax credit”** means a working tax credit under section 10 of the Tax Credits Act 2002;

**“young person”** means a person who falls within the definition of qualifying young person in section 142 of the SSCBA.

2.2. In this scheme, reference to a person occupying a dwelling or premises as his home shall be construed in accordance with Regulation 7 of the Housing Benefit Regulations 2006.

2.3. In this scheme, where an amount is to be rounded to the nearest penny, a fraction of a penny must be disregarded if it is less than half a penny and must otherwise be treated as a whole penny.

2.4. For the purpose of this scheme, a person is on an income-based jobseeker's allowance on any day in respect of which an income-based jobseeker's allowance is payable to him and on any day:

- 2.4.1. in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's allowance but where the allowance is not paid because of a reduction in accordance with section 19 or 19A or regulations made under section 17A or 19B of the Jobseekers Act 1995 (circumstances in which a jobseeker's allowance is not payable); (b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker's allowance is payable to him or would be payable to him but for section 19 or 19A or regulations made under section 17A or 19B of that Act; or
- 2.4.2. in respect of which an income-based jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).
- 2.5. For the purposes of this scheme, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day:
- 2.5.1. in respect of which he satisfies the conditions for entitlement to an income-related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act 2007 (disqualification); or
- 2.5.2. which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act (employment and support allowance: supplementary provisions) and which falls immediately before a day in respect of which an income-related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.
- 2.6. For the purposes of this scheme, two persons must be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.
- 2.7. In this scheme, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).
- 2.8. References in this scheme to an applicant participating as a service user are to: -
- 2.8.1. a person who is being consulted by or on behalf of –
- (i) a body which has a statutory duty to provide services in the field of health, social care or housing; or
  - (ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such services,
- In their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person;
- 2.8.2. a person who is being consulted by or on behalf of –
- (i) the Secretary of State in relation to any of the Secretary of State's functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973; or
  - (ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such services,
- In their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or
- 2.8.3. The carer of a person consulted as described in 2.8.1. or 2.8.2. where the carer is not being consulted as described therein.

- 2.9. In this scheme, references to a person in class D or E (as the case may be) is a reference to class D, or E described in paragraphs 1.4 to 1.10 of this scheme.

### 3 Definition of non-dependant

- 3.1. In this scheme, “non-dependant” means any person, except someone to whom paragraph 3.2. applies, who normally resides with an applicant or with whom an applicant normally resides.
- 3.2. This paragraph applies to-
  - 3.2.1. any member of the applicant's family;
  - 3.2.2. if the applicant is polygamously married, any partner of his and any child or young person who is a member of his household and for whom he or his partner is responsible
  - 3.2.3. where the applicant has (alone or jointly with his partner) an award of universal credit,
    - 3.2.3.1. any party to such a marriage other than the applicant's partner; and
    - 3.2.3.2. any child or young person who is a member of his household and for whom he or his partner or another party to the polygamous marriage is responsible; or
    - 3.2.3.3. in any other case, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
  - 3.2.4. a child or young person who is living with the applicant but who is not a member of his household by virtue of paragraph 11;
  - 3.2.5. subject to sub-paragraph (3), any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under section 6 or 7 of the 1992 Act (persons liable to pay council tax);
  - 3.2.6. subject to sub-paragraph (3), any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
  - 3.2.7. a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.
- 3.3. Excepting persons to whom sub-paragraph 3.2.1. to 3.2.4 and 3.2.9. refer, a person to whom any of the following paragraphs applies is a non-dependant:
  - 3.3.1. a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either-
    - 3.3.1.1. that person is a close relative of his or his partner; or
    - 3.3.1.2. the tenancy or other agreement between them is other than on a commercial basis;
  - 3.3.2. a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of a council tax reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;
  - 3.3.3. a person who becomes jointly and severally liable with the applicant for council tax in respect of a dwelling and who was, at any time during the period of eight weeks prior

to his becoming so liable, a non-dependant of one or more of the other residents in that dwelling who are so liable for the tax, unless the change giving rise to the new liability was not made to take advantage of a council tax reduction scheme.

#### **4 Requirement to provide a National Insurance Number**

- 4.1. No person shall be entitled to support unless paragraph 4.2 is satisfied in relation to both himself and any other person in respect of whom he is claiming support.
- 4.2. This paragraph is satisfied in relation to a person if-
  - 4.2.1. the application is accompanied by-
    - 4.2.1.1.a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
    - 4.2.1.2. information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or
  - 4.2.2. the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by-
    - 4.2.2.1. evidence of the application for a national insurance number to be so allocated; and
    - 4.2.2.2. the information or evidence enabling it to be so allocated.
- 4.3 Paragraph 4.2. does not apply-
  - 4.3.1. in the case of a child or young person in respect of whom an application for a reduction is made;
  - 4.3.2. to a person who-
    - 4.3.2.1. is a person treated as not being in Great Britain for the purposes of this scheme;
    - 4.3.2.2. is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and
    - 4.3.2.3. has not previously been allocated a national insurance number.

#### **5 Persons who have attained the qualifying age for state pension credit or who are of working age and who have a partner who has attained the qualifying age for state pension credit**

- 5.1. This scheme for working age applicants does not apply in relation to any person if he, or his partner, has attained the qualifying age for state pension credit, except where either he or his partner receives income support, an income-based jobseeker's allowance, an income based employment and support allowance or a universal credit award.
- 5.2. This scheme for working age applicants applies to any person if:
  - 5.2.1. he has not attained the qualifying age for state pension credit; or

5.2.2. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is-

5.2.2.1. a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance, or

5.2.2.2. a person with an award of universal credit.

## **6 Remunerative work**

6.1. Subject to the following provisions of this section, a person must be treated for the purposes of this scheme as engaged in remunerative work if he is engaged, or, where his hours of work fluctuate, he is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.

6.2. Subject to paragraph 6.3, in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard must be had to the average of hours worked over;

6.2.1. if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);

6.2.2. in any other case, the period of 5 weeks immediately prior to the date of application, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately.

6.3. Where, for the purposes of paragraph 6.2.1. a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work must be disregarded in establishing the average hours for which he is engaged in work.

6.4. Where no recognisable cycle has been established in respect of a person's work, regard must be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.

6.5. A person must be treated as engaged in remunerative work during any period for which he is absent from work referred to in paragraph 6. 1. if the absence is either without good cause or by reason of a recognised, customary or other holiday.

6.6. A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3 days in any reduction week is to be treated as not being in remunerative work in that week.

6.7. A person must not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave or adoption leave, or is absent from work because he is ill.

6.8. A person must not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which-

6.8.1. a sports award has been made, or is to be made, to him; and

6.8.2. no other payment is made or is expected to be made to him.

**7 Persons subject to immigration control – excluded from claiming under this scheme.  
Class of person excluded from this scheme: persons treated as not being in Great Britain**

- 7.1. The class of person described in this paragraph consists of any person treated as not being in Great Britain.
- 7.2. Except where a person falls within paragraph 7.5 or 7.7, a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.
- 7.3. A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the person has a right to reside in one of those places.
- 7.4. For the purposes of paragraph 7.3, a right to reside does not include a right which exists by virtue of, or in accordance with –
- 7.4.1 regulation 13 of the EEA Regulations;
- 7.4.2. regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—
- (I) a jobseeker for the purpose of the definition of “qualified person” in regulation 6(1) of those Regulations, or
- (II) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
- (III) regulation 16 of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph 5 of that regulation.
- 7.4.3 For the purposes of paragraph (7.3), a right to reside does not include a right which exists by virtue of a person having been granted limited leave to enter, or remain in, the United Kingdom under the Immigration Act 1971 by virtue of—
- (a) Appendix EU to the immigration rules made under section 3(2) of that Act, or;
- (b) being a person with a Zambrano right to reside as defined in Annex 1 of Appendix EU to the immigration rules made under section 3 (2) of that Act or;
- (c) having arrived in the United Kingdom with an entry clearance that was granted under Appendix EU (Family Permit) to the immigration rules made under section 3(2) of that Act.
- 7.4.4 Paragraph 7.4.3 (a) does not apply to a person who—
- (a) has a right to reside granted by virtue of being a family member of a relevant person of Northern Ireland; and
- (b) would have a right to reside under the EEA Regulations(a) if the relevant person of Northern Ireland were an EEA national, provided that the right to reside does not fall within paragraph (4)(a) or (b).
- 7.5 A person falls within this sub-paragraph if the person is:
- 7.5.1 a person granted leave in accordance with the immigration rules made under section 3(2) of the Immigration Act 1971, where such leave is granted by virtue of –

- (i) the Afghan Relocations Assistance Policy, or;
  - (ii) the previous scheme for locally-employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);
- 7.5.2 a person in Great Britain not coming within sub-paragraph 7.5.1 who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;
- 7.5.3 a person in Great Britain who was residing in Ukraine immediately before 1st January 2022, left Ukraine in connection with the Russian invasion which took place on the 24th February 2022 and –
- (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
  - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act, or;
  - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
- 7.5.4 a person who was residing in Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon immediately before 7th October 2023, left Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon in connection with the Hamas terrorist attack in Israel on 7th October 2023 or the violence which rapidly escalated in the region following the attack and—
- (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971(7),
  - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act(8), or
  - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
- 7.5.5 a person who was residing in Sudan before 15th April 2023, left Sudan in connection with the violence which rapidly escalated on 15th April 2023 in Khartoum and across Sudan and—
- (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971,
  - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act, or;
  - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;”
- 7.5.6 a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
- 7.5.7 a family member of a person referred to in paragraph (a) within the meaning of regulation 7(1)(a), (b) or (c) of the EEA Regulations;
- 7.5.8 a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
- 7.5.9 a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national;

- 7.5.10 a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020(b);
- 7.5.11 a family member of a person referred to in sub-paragraph (cb), who has been granted limited leave to enter, or remain in, the United Kingdom by virtue of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971(c);
- 7.5.12 a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
- 7.5.13 a person who has been granted, or who is deemed to have been granted leave outside the rules made under section 3(2) of the Immigration Act 1971(5)
- 7.5.14 a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
- 7.5.15 in receipt of income support, or on an income-related employment and support allowance, or;
- 7.5.16 in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph 7.4, or;
- 7.6. Paragraph 7.5 above does not apply to a person who, on 31st March 2015—
- 7.6.1. is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority's scheme established under section 13A (2) of the Act; and
- 7.6.2 is entitled to an income-based jobseeker's allowance, until the first of the events in paragraph 7.6.3 occurs.
- 7.6.3. The events are— the person makes a new application for a reduction under an authority's scheme established under section 13A (2) of the Act; or the person ceases to be entitled to an income-based jobseeker's allowance.
- 7.7. A person falls within this sub-paragraph if the person is a Crown servant or member of His Majesty's forces posted overseas.
- 7.8 A person mentioned in paragraph 7.7. is posted overseas if the person is performing overseas the duties of a Crown servant or member of His Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.
- 7.9. In this paragraph-
- "claim for asylum"** has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;
- "EEA Regulations"** means the Immigration (European Economic Area) Regulations 2016 and references to the EEA Regulations are to be read with Schedule 4 to the Immigration and Social Security Co-ordination (EU Withdrawal) Act 2020 (Consequential, Saving, Transitional and Transitory Provisions) Regulations 2020(d).
- "EEA national"** has the meaning given in regulation 2(1) of the EEA Regulations;

“**family member**” has the meaning given in regulation 7(1)(a), (b) or (c) of the EEA Regulations, except that regulation 7(4) of the EEA Regulations does not apply for the purposes of paragraphs (4B) and (5)(ca);

“**relevant person of Northern Ireland**” has the meaning given in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971.

7.10. Subject to paragraph 7.11. Persons subject to immigration control are not entitled to a reduction under this scheme.

7.11. “**Person subject to immigration control**” has the meaning given in section 115(9) of the Immigration and Asylum Act 1999.

## **8 Periods of absence from a dwelling**

8.1. Where a person is absent from the dwelling throughout any day then no support shall be payable.

8.2. A person is not absent from a dwelling in relation to any day which falls within a period of temporary absence from that dwelling.

8.3. In paragraph 8.2, a “**period of temporary absence**” means

8.3.1. a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation in Great Britain where and for so long as

- (i) the person resides in that accommodation;
- (ii) the part of the dwelling in which he usually resided is not let or sub-let; and
- (iii) that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,

where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;

8.3.2. subject to 8.3.6., a period of absence within Great Britain not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as:

- (i) the person intends to return to the dwelling;
- (ii) the part of the dwelling in which he usually resided is not let or sub-let; and
- (iii) that period is unlikely to exceed 13 weeks;

8.3.3. subject to 8.3.8., a period of absence within Great Britain not exceeding 52 weeks, beginning with the first whole day of that absence, where and for so long as:

- (i) the person intends to return to the dwelling;
- (ii) the part of the dwelling in which he usually resided is not let or sub-let;
- (iii) the person is a person to whom –paragraph 8.4 applies; and
- (iv) the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

8.3.4. subject to paragraphs 8.3.10., 8.9., 8.11. and where paragraph 8.3.9. applies, a period of absence outside Great Britain not exceeding 4 weeks, beginning with the first day of that absence from Great Britain where and for so long as -

- (i) the person intends to return to the dwelling;
- (ii) the part of the dwelling in which he usually resides is not let or sub-let; and
- (iii) the period of absence from Great Britain is unlikely to exceed 4 weeks.

8.3.5. The period of 13 weeks referred to in paragraph 8.3.2. shall run or continue to run during any period of absence from Great Britain.

8.3.6. Where—

- (i) a person returns to Great Britain after a period of absence from Great Britain (period A);
- (ii) that person has been absent from the dwelling, including any absence within Great Britain, for less than 13 weeks beginning with the first day of absence from that dwelling; and
- (iii) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence, then any day that follows period A and precedes the person's return to the dwelling, shall not be treated as a period of temporary absence under paragraph 8.3. 2..

8.3.7. The period of 52 weeks referred to in paragraph 8.3.3. shall run or continue to run during any period of absence from Great Britain.

8.3.8. Where —

- (i) a person returns to Great Britain after a period of absence from Great Britain (period A);
- (ii) that person has been absent from the dwelling, including any absence within Great Britain, for less than 52 weeks beginning with the first day of absence from that dwelling; and
- (iii) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence, then, any day that follows period A and precedes the person's return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph 8.3. 3..

8.3.9. This sub-paragraph applies where—

- (i) a person is temporarily absent from Great Britain;
- (ii) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

8.3.10. If the temporary absence referred to in sub-paragraph 8.3.4. is in connection with the death of—

- (i) the person's partner or a child or young person for whom the person or the person's partner is responsible;
- (ii) the person's close relative;
- (iii) the close relative of the person's partner; or
- (iv) the close relative of a child or young person for whom the person or the person's partner is responsible,

then the period of 4 weeks in the opening words of sub-paragraph 8.3.4. may be extended by up to 4 further weeks if the relevant authority considers it unreasonable to expect the person to return to Great Britain within the first 4 weeks (and the reference in subparagraph (iii) of that paragraph to a period of 4 weeks shall, where the period is extended, be taken as referring to the period as so extended).

8.4. This sub-paragraph applies to a person who –

8.4.1. is a person to whom paragraph 8.7. applies.

8.4.2. is resident in a hospital or similar institution as a patient;

8.4.3. is undergoing, or whose partner or dependent child is undergoing medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;

8.4.4. is following a training course;

8.4.5. is undertaking medically approved care of a person;

8.4.6. is undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care or medical treatment;

8.4.7. is receiving medically approved care provided in accommodation other than residential accommodation;

8.4.8. is a student;

8.4.9. is receiving care provided in residential accommodation and is not a person to whom paragraph 8.4.3. applies; or

8.4.10. has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

8.5. This paragraph applies to a person who is

8.5.1. detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983, or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995 or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986); and

8.5.2. on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989.

8.6. Where paragraph 8.5 applies to a person, then, for any day when he is on temporary release-

8.6.1. if such temporary release was immediately preceded by a period of temporary absence under paragraph 8.3.2. or 8.3.3., he must be treated, for the purposes of paragraph 8.1. as if he continues to be absent from the dwelling, despite any return to the dwelling;

8.6.2. for the purposes of paragraph 8.5.1. he must be treated as if he remains in detention;

8.6.3. if he does not fall within paragraph 8.6.1., he is not to be considered to be a person who is liable to pay council tax in respect of a dwelling of which he is a resident.

- 8.7. This paragraph applies to a person (“P”) who is—
- (i) detained in custody on remand pending trial;
  - (ii) detained pending sentence upon conviction; or
  - (iii) as a condition of bail required to reside—
    - (a) in a dwelling, other than a dwelling P occupies as P’s home; or
    - (b) in premises approved under section 13 of the Offender Management Act 2007, and who is not also detained in custody following sentence upon conviction.
- 8.8. This sub-paragraph applies where—
- (i) a person is temporarily absent from Great Britain;
  - (ii) the person is a member of His Majesty’s forces posted overseas, a mariner or a continental shelf worker;
  - (iii) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.
- 8.9. Where paragraph 8.8 applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—
- (i) the person intends to return to the dwelling;
  - (ii) the part of the dwelling in which he usually resided is not let or sub-let;
  - (iii) the period of absence from Great Britain is unlikely to exceed 26 weeks.
- 8.10. This sub-paragraph applies where—
- (i) a person is temporarily absent from Great Britain;
  - (ii) the person is a person described in any of paragraphs 8.4.2., 8.4.3., 8.4.7., or 8.4.10;
  - (iii) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.
- 8.11. Where paragraph 8.10 applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—
- (i) the person intends to return to the dwelling;
  - (ii) the part of the dwelling in which he usually resided is not let or sub-let;
  - (iii) the period of absence is unlikely to exceed 26 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.
- 8.12. This sub-paragraph applies where—
- (i) a person is temporarily absent from Great Britain;
  - (ii) the person is a person described in any of paragraphs 8.4.1., 8.4.4., 8.4.5., 8.4.6., 8.4.8. or 8.4.9.;
  - (iii) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.
- 8.13. Where paragraph 8.12 applies, a period of absence from Great Britain not exceeding 4 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—
- (i) the person intends to return to the dwelling;

- (ii) the part of the dwelling in which he usually resided is not let or sub-let;
- (iii) the period of absence is unlikely to exceed 4 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.

In this paragraph –

**“continental shelf worker”** means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998;

**“designated area”** means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964 as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;

**“mariner”** means a person who is employed under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel, where—

(i) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and

(ii) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage;”;

**“medically approved”** means certified by a medical practitioner;

**“member of His Majesty’s forces posted overseas”** means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006), who is absent from the main dwelling because the person has been posted outside of Great Britain to perform the duties of a member of His Majesty’s regular forces or reserve forces;

**“patient”** means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution;

**“prescribed area”** means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998

**“residential accommodation”** means accommodation which is provided in

(a) a care home;

(b) an independent hospital;

(c) an Abbeyfield Home; or

(d) an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;

**“training course”** means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

## Part 3 – The Family for Council Tax Reduction purposes

### 9 . Membership of a Family

9.1. In this scheme “**couple**” means:

9.1.1. a man and woman who are married to each other or civil partners and are members of the same household;

9.1.2. a man and woman who are not married to each other but are living together as husband and wife;

9.1.3. two people of the same sex who are civil partners of each other or married to each other and are members of the same household; or

9.1.4. two people of the same sex who are not civil partners of each other and are not married to each other but are living together as if they were civil partners or married to each other.

9.2. Two people of the same sex are to be treated as living together as if they were civil partners or married to each other if, and only if, they would be treated as living together as husband and wife were they of opposite sexes.

9.3. This paragraph applies to any case where-

9.3.1. a person is a husband or wife by virtue of a marriage entered into under a law which permits polygamy; and

9.3.2. either party to the marriage has for the time being any spouse additional to the other party.

9.3.3 For the purposes of paragraph 9.1. (meaning of “couple”) either party to the marriage is to be taken to be a member of a couple.

9.4. In this scheme “**family**” means:

9.4.1. a couple;

9.4.2. a couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person; or

9.4.3. a person who is not a member of a couple and a member of the same household for whom that person is responsible and who is a child or a young person;

9.5. The references to a child or young person in paragraph 9.4 include a child or young person in respect of whom section 145A of the SSCBA applies for the purposes of entitlement to child benefit, but only for the period prescribed under section 145A (1).

9.6. The references to a young person in paragraph 9.4. do not include a young person who is-

9.6.1. on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;

9.6.2. a person to whom section 6 of the Children (Leaving Care) Act 2000 (exclusion from benefits) applies; or

9.6.3. entitled to an award of universal credit.

## **10 Circumstances in which a person is to be treated as responsible (or not responsible) for a child or young person**

- 10.1. A person is to be treated as responsible for a child or young person who is normally living with him, including a child or young person to whom paragraph 9.5 applies.
- 10.2. Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person must be treated for the purposes of paragraph 10.1. as normally living with-
- 10.2.1. the person who is receiving child benefit in respect of that child or young person, or
- 10.2.2. if there is no such person-
- (i) where only one claim for child benefit has been made in respect of him, the person who made that claim, or
  - (ii) in any other case the person who has the primary responsibility for him.
- 10.3. For the purposes of this scheme a child or young person is the responsibility of only one person in any reduction week and any person other than the one treated as responsible for the child or young person under this paragraph is to be treated as not so responsible.

## **11 Circumstance in which a child or young person is to be treated as not being a member of the household**

- 11.1. Subject to paragraphs 1 1. 2. and 1 1. 3 ., an applicant and any partner and, where the applicant or his partner is treated (by virtue of paragraph 9.7) as responsible for a child or young person, that child or young person and any child of that child or young person, are to be treated as members of the same household notwithstanding that any of them is temporarily absent from that household.
- 11.2. A child or young person is not to be treated as a member of the applicant's household where he is-
- 11.2.1. placed with the applicant or his partner by a local authority under section 22C or 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or section 81(2) of the Social Services and Well-being (Wales) Act 2014 (ways in which looked after children are to be accommodated and maintained) or in Scotland boarded out or placed with the applicant or his partner under a relevant enactment; or
- 11.2.2. placed, or in Scotland boarded out or placed, with the applicant or his partner prior to adoption; or
- 11.2.3. placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009 or the Adoption (Northern Ireland) Order 1987.
- 11.3. Subject to sub-paragraph 1 1. 4. paragraph 1 1. 2. does not apply to a child or young person who is not living with the applicant and who-
- 11.3.1. is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
- 11.3.2. has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or

11.3.3. has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009.

11.4. The authority must treat a child or young person to whom paragraph 11.3. applies as being a member of the applicant's household in any reduction week where-

11.4.1. that child or young person lives with the applicant for part or all of that reduction week; and

11.4.2. the authority considers that it is reasonable to do so taking into account the nature and frequency of that child's or young person's visits.

11.5. In this paragraph “**relevant enactment**” means:

- (a) the Army Act 1955;
- (b) the Air Force Act 1955;
- (c) the Naval Discipline Act 1957;
- (d) the Matrimonial Proceedings (Children) Act 1958;
- (e) the Social Work (Scotland) Act 1968;
- (f) the Family Law Reform Act 1969;
- (g) the Children and Young Persons Act 1969;
- (h) the Matrimonial Causes Act 1973;
- (i) the Children Act 1975;
- (j) the Domestic Proceedings and Magistrates' Courts Act 1978;
- (k) the Adoption and Children (Scotland) Act 2007;
- (l) the Family Law Act 1986;
- (m) the Children Act 1989;
- (n) the Children (Scotland) Act 1995;
- (o) the Children's Hearings (Scotland) Act 2011(3); and
- (p) the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

## Part 4 - Applicable Amounts (Living Allowances) for Council Tax Reduction purposes

### 12 Applicable amounts

- 12.1. Subject to paragraphs 13 and 14, the applicable amount for a week for a person is the aggregate of such of the following amounts (as stated in Schedule 1) as may apply in his case-
- 12.1.1. an amount in respect of himself or, if he is a member of a couple, an amount in respect of both of them, determined in accordance with Schedule 1;
- 12.1.2. an amount determined in accordance with paragraph 3 of that Schedule in respect of up to two individuals who are either children or young persons and who are members of his family.;
- 12.1.3. Not used
- 12.1.4. the amount of any premiums which may be applicable to him, determined in accordance with Parts 2 and 3 of that Schedule;
- 12.1.5. the amount of either the –
- (i) work-related activity component; or
  - (ii) support component, which may be applicable to him in accordance with Parts 3 and 4 of that Schedule (the components);
- 12.1.6. the amount of any transitional addition which may be applicable to him in accordance with Parts 6 and 7 of that Schedule (transitional addition).
- 12.2. For the purposes of paragraph 12.1.2., as it applies apart from 12.2.2., where the family includes more than two individuals who are either children or young persons, and, under paragraph 3 of Schedule 1, a different amount applies to different individuals, the two amounts to be included in the applicable amount shall be those that result in the greatest possible total amount.
- 12.2.1. Paragraph 12.2.2. applies where—
- (i) (whether or not as part of a tax credit couple) the claimant has an award of child tax credit in respect of a child or young person who is a member of his family, and whether or not any amount is payable by way of such credit; and
  - (ii) the total amount to be included in the applicable amount under paragraph 12.1.2. as substituted by paragraph 12.2.2. would be higher than the total amount that would be included under paragraph 12.1.2. apart from paragraph 12.2.2..
- 12.2.2. Where this paragraph applies, for paragraph 12.1.2. substitute—
- “12.1.2. an amount determined in accordance with paragraph 3 of Schedule 1 in respect of any child or young person who is a member of his family and in respect of whom the individual element of child tax credit has been included in the determination of the maximum rate of that credit;”.
- 12.2.3. In this regulation, “**tax credit couple**” means a couple as defined in section 3(5A) of the Tax Credits Act 2002.

12.3. In Schedule 1-

**“additional spouse”** means a spouse of either party to the marriage who is additional to the other party to the marriage;

**“converted employment and support allowance”** means an employment and support allowance which is not income-related and to which a person is entitled as a result of a conversion decision within the meaning of the Employment and Support Allowance (Existing Awards) Regulations 2008;

**“patient”** means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005.

## 13 Polygamous marriages

13.1. This paragraph applies where an applicant who is not a pensioner is a member of a polygamous marriage and does not have (alone or jointly with a party to a marriage), an award of universal credit.

13.2. The applicable amount for a week of an applicant where this paragraph applies is the aggregate of such of the following amounts as may apply in his case:

13.2.1. the amount applicable to him and one of his partners determined in accordance with Part 1 of Schedule 1 as if he and that partner were a couple;

13.2.2. an amount equal to the difference between the amounts specified that Schedule in respect of each of his other partners;

13.2.3. an amount determined in accordance with paragraph 3 of Schedule 1 in respect of up to two individuals who are either children or young persons and for whom he or a partner of his is responsible and who are members of the same household;

13.2.4. Not used

13.2.5. the amount of any premiums which may be applicable to him determined in accordance with Parts 2 and 3 of that Schedule (premiums);

13.2.6. the amount of either the-

(i) work-related activity component; or

(ii) support component, which may be applicable to him in accordance with part 4 and 5 of that Schedule (the components);

(iii) the amount of any transitional addition which may be applicable to him in accordance with Parts 7 and 8 of that Schedule (transitional addition).

13.3. For the purposes of paragraph 13.2.3., as it applies apart from paragraph 13.5., where the claimant and his partners are between them responsible for more than two individuals who are either children or young persons and who are members of the same household, and, under paragraph 3 of Schedule 1, a different amount applies to different individuals, the two amounts to be included in the applicable amount shall be those that result in the greatest possible total amount.

13.4. Paragraph 13.5. applies where—

(i) (as part of a polygamous unit) the claimant has an award of child tax credit in respect of any child or young person for whom he or a partner of his is

- responsible and who is a member of the same household, and whether or not any amount is payable by way of such credit; and
- (ii) the total amount to be included in the applicable amount under paragraph 13.2.3. as substituted by paragraph 13.5. would be higher than the total amount that would be included under paragraph 13.2.3. apart from paragraph 13.5.

13.5. Where this paragraph applies, for paragraph 13.2.3. substitute—

- “(c) an amount determined in accordance with paragraph 3 of Schedule 1 in respect of any child or young person for whom he or a partner of his is responsible and who is a member of the same household and in respect of whom the individual element of child tax credit has been included in the determination of the maximum rate of that credit;”.

13.6. In this regulation, “**polygamous unit**” has the same meaning as in regulation 2 of the Tax Credits (Polygamous Marriages) Regulations 2003.

## **14 Persons who have an award of Universal Credit**

14.1. No further income testing will be undertaken for customers entitled to an award of Universal Credit. The incomes declared to and verified by the Department for Work and Pensions as part of the Universal Credit claim determination will be used to determine entitlement under this scheme.

14.1.1. Customers who disagree with the incomes used (as notified by the Universal Credit award notification) must challenge the Universal Credit calculation direct with the Department for Work and Pensions. No separate challenge or appeal process will be operated as part of the operation of this scheme.

## **Part 5 – Definition, and the treatment of, Income for Council Tax Reduction purposes**

### **15 Calculation of income and capital: applicant's family and polygamous marriages**

15.1. The income and capital of-

15.1.1. an applicant; and

15.1.2. any partner of that applicant, is to be calculated in accordance with the provisions of this Part.

15.2. The income and capital of any partner of the applicant is to be treated as income and capital of the applicant, and in this scheme any reference to the applicant in relation to income and capital applies equally to any partner of that applicant.

15.3. Where an applicant or the partner of an applicant is married polygamously to two or more members of his household-

15.3.1. the applicant must be treated as possessing capital and income belonging to each such member; and

15.3.2. the income and capital of that member is to be calculated in accordance with the following provisions of this scheme in like manner as for the applicant.

### **16 Calculation of income and capital: persons who have an award of universal credit**

16.1. In determining the income of an applicant:

(a) who has, or

(b) who (jointly with his partner) has,

an award of universal credit the authority must, subject to the following provisions of this paragraph, use the calculation or estimate of the amount of the income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

16.2. The authority must adjust the amount of the income referred to in paragraph 16.1. by multiplying the amount by 12 and dividing the product by 52, where the Universal Credit has been calculated at a monthly rate

16.3. The authority may only adjust the amount of the income as adjusted in accordance with paragraph 17.2. so far as necessary to take into account-

16.3.1. the amount of the award of universal credit, determined in accordance with paragraph 17.3.;

16.3.2. paragraph 17 (circumstances in which income and capital of non- dependant is to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;

16.3.3. such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable).

16.4. Paragraph 17 (income and capital of non-dependant to be treated as applicant's) applies for the purpose of determining any adjustments which fall to be made to the figure for income under paragraph 16.3.

## **17 Circumstances in which income and capital of a non-dependant is to be treated as applicant's**

17.1. Paragraph 17.2. applies where it appears to the authority that a non-dependant and an applicant have entered into arrangements in order to take advantage of this scheme and the non-dependant has more income and capital than the applicant.

17.2. Except where-

(a) the applicant is a pensioner and is on a guarantee credit, or

(b) the applicant is not a pensioner and is on income support, an income-based jobseeker's allowance, an income-related employment and support allowance or has a universal credit award, the authority must treat the applicant as possessing income and capital belonging to that non-dependant and, in such a case, any income and capital which the applicant does possess is to be disregarded.

17.3. Where an applicant is treated as possessing income and capital belonging to a non-dependant under paragraph 17.2. the income and capital of that non-dependant must be calculated in accordance with the following provisions of this Part in like manner as for the applicant and, except where the context otherwise requires, any reference to the "applicant" is to be construed for the purposes of this Part as if it were a reference to that non-dependant.

## **18 Calculation of income on a weekly basis**

18.1. Subject to paragraph 25 (disregard of changes in tax, etc.), the income of an applicant is to be calculated on a weekly basis-

18.1.1. by estimating the amount which is likely to be his average weekly income in accordance with this scheme;

18.1.2. by adding to that amount, the weekly income calculated under paragraph 42 (tariff income); and

18.1.3. deducting from the sum of paragraphs 18.1.1. and 18.1.2. any relevant childcare charges to which paragraph 19 (treatment of childcare charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in paragraph 18.2. are met, from those earnings plus whichever credit specified in paragraph 18.1.2. of that paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in paragraph 18.3. applies in his case.

18.2. The conditions of this paragraph are that-

18.2.1. the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant childcare charges or whichever of the deductions specified in paragraph 18.3 otherwise applies in his case; and

18.2.2. that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit.

18.3. The maximum deduction to which paragraph 18.1.3. above refers is to be-

18.3.1. where the applicant's family includes only one child in respect of whom relevant childcare charges are paid, £175.00 per week;

18.3.2. where the applicant's family includes more than one child in respect of whom relevant childcare charges are paid, £300 per week.

18.4. For the purposes of paragraph 18.1 “**income**” includes capital treated as income under paragraph 32 and notional income under paragraph 33.

## **19 Treatment of childcare charges**

19.1. This paragraph applies where an applicant (within the meaning in this paragraph) is incurring relevant childcare charges and-

19.1.1. is a lone parent and is engaged in remunerative work;

19.1.2. is a member of a couple both of whom are engaged in remunerative work; or

19.1.3. is a member of a couple where one member is engaged in remunerative work and the other-

(i) is incapacitated;

(ii) is an in-patient in hospital; or

(iii) is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).

19.2. For the purposes of paragraph 19.1. and subject to paragraph 19.4., a person to whom paragraph 19.3. applies must be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he-

19.2.1. is paid statutory sick pay;

19.2.2. is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the SSCBA;

19.2.3. is paid an employment and support allowance;

19.2.4. is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support (General) Regulations 1987; or

19.2.5. is credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.

19.3. This sub-paragraph applies to a person who was engaged in remunerative work immediately before-

19.3.1. the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or

- 19.3.2. the first day of the period in respect of which earnings are credited, as the case may be.
- 19.4. In a case to which paragraph 19.2.4. or 19.2.5. applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.
- 19.5. Relevant childcare charges are those charges for care to which paragraphs 19.6. and 19.7. apply, and are to be calculated on a weekly basis in accordance with paragraph 19.10.
- 19.6. The charges are paid by the applicant for care which is provided-
- 19.6.1. in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
- 19.6.2. in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.
- 19.7. The charges are paid for care which is provided by one or more of the care providers listed in paragraph 19.8. and are not paid-
- 19.7.1. in respect of the child's compulsory education;
- 19.7.2. by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with paragraph 7 (circumstances in which a person is treated as responsible or not responsible for another); or
- 19.7.3. in respect of care provided by a relative of the child wholly or mainly in the child's home.
- 19.8. The care to which paragraph 19.7. refers may be provided-
- 19.8.1. out of school hours, by a school on school premises or by a local authority-
- (i) for children who are not disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
- (ii) for children who are disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
- 19.8.2. by a childcare provider approved in accordance with the Tax Credit (New Category of Child Care Provider) Regulations 1999; or
- 19.8.3. by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
- 19.8.4. by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) Order 2010; or
- 19.8.5. by-

- (i) persons registered under section 59(1) of the Public Services Reform (Scotland) Act 2010; or
  - (ii) local authorities registered under section 83(1) of that Act, where the care provided is child minding or day care of children within the meaning of that Act; or
- 19.8.6. by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002; or
- 19.8.7. by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
- 19.8.8. by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
- 19.8.9. by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
- 19.8.10. by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of “childcare” for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
- 19.8.11. by a foster parent or kinship carer under the Fostering Services Regulations 2011, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or
- 19.8.12. by a provider of personal care within the meaning of paragraph 1 of Schedule 1 to the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 and being a regulated activity prescribed by those Regulations; or
- 19.8.13. by a person who is not a relative of the child wholly or mainly in the child's home.
- 19.9. In paragraphs 19.6. and 19.8.1., “the first Monday in September” means the Monday which first occurs in the month of September in any year.
- 19.10. Relevant child care charges must be estimated over such period, not exceeding a year, as is appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.
- 19.11. For the purposes of paragraph 19.1.3. the other member of a couple is incapacitated where-
- 19.11.1. the applicant is a pensioner and the other member of the couple is aged not less than 80;
- 19.11.2. the applicant is a pensioner and the other member of the couple is aged less than 80, and-
- (i) the additional condition specified in Part 2 and 3 of Schedule 1 to this scheme is treated as applying in his case; and
  - (ii) he satisfies that conditions or would satisfy it but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;

- 19.11.3. the applicant is not a pensioner, the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of his having limited capability for work;
- 19.11.4. the applicant is not a pensioner, the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
- 19.11.5. the other member of the couple would be a member of the support group by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or the Employment and Support Allowance Regulations 2013;
- 19.11.6. he is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days must be treated as one continuous period;
- 19.11.7. he is, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 or the Employment and Support Allowance Regulations 2013 for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- 19.11.8. there is payable in respect of him one or more of the following pensions or allowances-
- (i) long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the SSCBA;
  - (ii) attendance allowance under section 64 of the SSCBA;
  - (iii) severe disablement allowance under section 68 of the SSCBA;
  - (iv) disability living allowance under section 71 of the SSCBA;
  - (v) personal independence payment;
  - (vi) an AFIP;
  - (vii) increase of disablement pension under section 104 of the SSCBA;
  - (viii) a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under sub- paragraph (ii), (iv), (v) or (vii) above;
  - (ix) main phase employment and support allowance;
- 19.11.9. a pension or allowance or payment to which sub-paragraph (v), (vii) or (viii) of paragraph 19.11.8 above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this paragraph means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving

free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005;

19.11.10 an attendance allowance under section 64 of the SSCBA or disability living allowance would be payable to that person but for-

- (i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
- (ii) an abatement as a consequence of hospitalisation;

19.11.11. the daily living component of personal independence payment would be payable to that person but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

19.11.12. an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;

19.11.13 paragraph 19.8, 19.9, 19.10. or 19.11 would apply to him if the legislative provisions referred to in those paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or

19.11.14. he has an invalid carriage or other vehicle provided to him by the Secretary of State or a clinical commissioning group under paragraph 9 of Schedule 1 to the National Health Service Act 2006 or under section 46 of the National Health Service (Scotland) Act 1978 or provided by the Department of Health, Social Services and Public Safety in Northern Ireland under Article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972.

19.12. For the purposes of paragraph 19.1 1, once paragraph 19.11.6. applies to the person, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph is, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter to apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.

19.13. For the purposes of paragraph 19.11., once paragraph 19.11.7. applies to the person, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter to apply to him for so long as he has, or is treated as having, limited capability for work.

19.14 For the purposes of paragraphs 19.6. and 19.8.1., a person is disabled if he is a person-

19.14.1. to whom an attendance allowance or the care component of disability allowance is payable or would be payable but for-

- (i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
- (ii) an abatement as a consequence of hospitalisation;

19.14.2. to whom the daily living component of personal independence payment is payable or has ceased to be payable by virtue of a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

- 19.14.3. who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or
- 19.14.4. who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.
- 19.15 For the purposes of paragraph 19.1. a person on maternity leave, paternity leave or adoption leave is to be treated as if he is engaged in remunerative work for the period specified in paragraph 19.16. ("the relevant period") provided that-
- 19.15.1. in the week before the period of maternity leave, paternity leave or adoption leave began he was in remunerative work;
- 19.15.2. the applicant is incurring relevant childcare charges within the meaning of paragraph 19.5.; and
- 19.15.3. he is entitled to either statutory maternity pay under section 164 of the SSCBA, ordinary statutory paternity pay by virtue of section 171ZA or 171ZB of that Act, additional statutory paternity pay by virtue of section 171ZEA or 171ZEB of that Act, statutory adoption pay by of section 171ZL of that Act, maternity allowance under section 35 of that Act or qualifying support.
- 19.16. For the purposes of paragraph 19.15 the relevant period begins on the day on which the person's maternity, paternity leave or adoption leave commences and ends on-
- 19.16.1. the date that leave ends;
- 19.16.2. if no childcare element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, ordinary or additional statutory paternity pay or statutory adoption pay ends, the date that entitlement ends; or
- 19.16.3. if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay, ordinary or additional statutory paternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credit ends, whichever occurs first.
- 19.17. In sub-paragraphs 19.15. and 19.16.-
- 19.17.1. "**qualifying support**" means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support (General) Regulations 1987; and
- 19.17.2. "**childcare element**" of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act 2002 (childcare element).
- 19.18 In this paragraph "**applicant**" does not include an applicant
- 19.18.1. who has, or
- 19.18.2. who (jointly with his partner) has, an award of universal credit.

## **20 Average weekly earnings of employed earners**

20.1. Where the income of an applicant consists of earnings from employment as an employed earner his average weekly earnings must be estimated by reference to his earnings from that employment-

20.1.1. over a period immediately preceding the reduction week in which the application is

made or treated as made and being a period of-

- (i) 5 weeks, if he is paid weekly; or
- (ii) 2 months, if he is paid monthly; or

20.1.2. whether or not paragraph 20.1.1. (i) or (ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the application is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

20.2. Where the applicant has been in his employment for less than the period specified in paragraph 20.1.1. (i) or (ii)-

20.2.1. if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment

his average weekly earnings must be estimated by reference to those earnings;

20.2.2. in any other case, the authority must estimate the applicant's average weekly earnings

20.3. Where the amount of an applicant's earnings changes the authority must estimate his average weekly earnings by reference to his likely earnings from the employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period must not in any case exceed 52 weeks.

20.4. For the purposes of this paragraph the applicant's earnings are to be calculated in accordance with paragraphs 26 and 27.

## **21 Average weekly earnings of self-employed earners**

21.1. Where the income of an applicant consists of earnings from employment as a self-employed earner his average weekly earnings must be estimated by reference to his earnings from that employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period must not in any case exceed a year.

21.2. For the purposes of this paragraph the applicant's earnings must be calculated in accordance with paragraphs 28, 29 and 30.

## **22 Average weekly income other than earnings**

22.1. The income of an applicant, which does not consist of earnings must, except where paragraph 22.2. applies, be estimated over such period as is appropriate in order

that his average weekly income may be estimated accurately but the length of the period must not in any case exceed 52 weeks; and nothing in this paragraph authorises an authority to disregard any such income other than that specified in Schedule 3.

22.2. The period over which any benefit under the benefit Acts is to be taken into account is to be the period in respect of which that benefit is payable.

22.3. For the purposes of this paragraph income other than earnings is to be calculated in accordance with paragraph 31.

### **23 Calculation of average weekly income from tax credits**

23.1. This paragraph applies where an applicant receives a tax credit.

23.2. Where this paragraph applies, the period over which a tax credit is to be taken into account is the period set out in paragraph 23.3.

23.3. Where the instalment in respect of which payment of a tax credit is made is-

23.3.1. a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;

23.3.2. a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;

23.3.3. a two-weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;

23.3.4. a four-weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

23.4. For the purposes of this paragraph “**tax credit**” means child tax credit or working tax credit.

### **24 Calculation of weekly income**

24.1. For the purposes of paragraphs 20 (average weekly earnings of employed earners), 22 (average weekly income other than earnings) and 23 (calculation of average weekly income from tax credits), where the period in respect of which a payment is made-

24.1.1. does not exceed a week, the weekly amount is to be the amount of that payment;

24.1.2. exceeds a week, the weekly amount is to be determined-

(i) in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;

(ii) in any other case, by dividing the amount of the payment by the number equal to the number of days in the period to which it relates and multiplying the product by 7.

24.2. For the purposes of paragraph 21 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant is to be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the product by 7.

24.3. Income calculated pursuant to sub-paragraphs 24.1.1. and 24.1.2. must be taken into account—

24.3.1. in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;

24.3.2. in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or

24.3.3. in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date the applicant's earnings from employment change so as to require recalculation under this paragraph, and the first day of each reduction week thereafter,

regardless of whether those earnings were actually received in that reduction week

24.4. An applicant's earnings from employment as an employed earner not calculated pursuant to sub-paragraphs 24.1.1. and 24.1.2. must be taken into account—

24.4.1. in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;

24.4.2 in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or

24.4.3. in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date the applicant's earnings from employment change so as to require recalculation under this paragraph, and the first day of each reduction week thereafter, regardless of whether those earnings were actually received in that reduction week.

## **25 Disregard of changes in tax, contributions etc.**

25.1. In calculating the applicant's income, the authority may disregard any legislative change-

25.1.1. (i) in the basic or other rates of income tax;  
(ii) in the Scottish basic or other rates of income tax

25.1.2. in the amount of any personal tax reliefs under Chapter 2, 3 and 3A of Part 3 of the Income Tax Act 2007.;

- 25.1.3. in the rates of national insurance contributions payable under the SCBA or in the lower earnings limit or upper earnings limit for Class 1 contributions under that Act, the lower or upper limits applicable to Class 4 contributions under that Act or the amount specified in section 11(4) of that Act (small profits threshold in relation to Class 2 contributions);
- 25.1.4. in the amount of tax payable as a result of an increase in the weekly rate of Category A, B, C or D retirement pension or any addition thereto or any graduated pension payable under the SSCBA;
- 25.1.5. in the maximum rate of child tax credit or working tax credit, for a period not exceeding 30 reduction weeks beginning with the reduction week immediately following the date from which the change is effective.

## **26 Earnings of employed earners**

- 26.1. Subject to paragraph 26.2., “earnings” means in the case of employment as an employed earner, any remuneration or profit derived from that employment and includes:
  - 26.1.1. any bonus or commission;
  - 26.1.2. any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
  - 26.1.3. any payment in lieu of notice, or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
  - 26.1.4. any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
  - 26.1.5. any payment by way of a retainer;
  - 26.1.6. any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of-
    - (i) travelling expenses incurred by the applicant between his home and place of employment;
    - (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
  - 26.1.7. any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
  - 26.1.8. any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
  - 26.1.9. any such sum as is referred to in section 112 of the SSCBA (certain sums to be earnings for social security purposes);
  - 26.1.10. any statutory sick pay, statutory maternity pay, statutory paternity pay, or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;

26.1.11. any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave or adoption leave or is absent from work because he is ill;

26.1.12. the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001.

26.2. Earnings does not include-

26.2.1. subject to paragraph 26.3., any payment in kind;

26.2.2. any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;

26.2.3. any occupational pension;

26.2.4. any payment in respect of expenses arising out of the applicant participating as a service user.

26.3. Paragraph 26.2.1. does not apply in respect of any non-cash voucher referred to in subparagraph 26.1.12.

## **27 Calculation of net earnings of employed earners**

27.1. For the purposes of paragraph 20, the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account must, subject to paragraph 27.2., be his net earnings.

27.2. There is to be disregarded from an applicant's net earnings, any sum, where applicable, specified in Schedule 2.

27.3. For the purposes of paragraph 27.1, net earnings must, except where paragraph 27.6. applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less-

27.3.1. any amount deducted from those earnings by way of-

(i) income tax;

(ii) primary Class 1 contributions under the SSCBA;

27.3.2. one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;

27.3.3. one-half of the amount calculated in accordance with paragraph 27.5 in respect of any qualifying contribution payable by the applicant; and

27.3.4. where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the SSCBA.

27.4. In this paragraph "qualifying contribution" means any sum which is payable periodically as a contribution towards a personal pension scheme.

- 27.5. The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying contribution is to be determined-
- 27.5.1. where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by the number of days in that year;
- 27.5.2. in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.
- 27.6. Where the earnings of an applicant are estimated under paragraph 21.2.2. (average weekly earnings of employed earners), his net earnings is to be calculated by taking into account those earnings over the assessment period, less:
- 27.6.1. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate, or in the case of a Scottish taxpayer, the Scottish basic rate, of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 (personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate of tax or Scottish basic rate is to be applied and the amount of the personal reliefs deductible under this paragraph is to be calculated on a pro rata basis;
- 27.6.2. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and
- 27.6.3. one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme if the earnings so estimated were actual earnings.

## 28 Earnings of self-employed earners

- 28.1. Subject to paragraph 28. 2., “earnings”, in the case of employment as a self-employed earner of a person, means the gross income of the employment.
- 28.2. “**Earnings**” does not include any payment to which paragraph 31 or 32 of Schedule 3 refers nor does it include any sports award.
- 28.3. This paragraph applies to:
- 28.3.1. royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trademark; or
- 28.3.2. any payment in respect of any-
- (i) book registered under the Public Lending Right Scheme 1982; or
  - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book or work concerned.

28.4. Where the applicant's earnings consist of any items to which paragraph 28.3. applies, those earnings must be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by:

28.4.1. the amount of reduction under this scheme to which the applicant would have been entitled had the payment not been made, plus

28.4.2. an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 2 as appropriate in the applicant's case.

## **29 Calculation of net profit of self-employed earners**

29.1. For the purposes of paragraphs 21 (average weekly earnings of self-employed earners) and 18 (calculation of income on a weekly basis) the earnings of an applicant to be taken into account must be-

29.1.1. in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;

29.1.2. in the case of a self-employed earner who is a pensioner whose employment is carried on in partnership, his share of the net profit derived from that employment, less-

(i) an amount in respect of income tax and of national insurance contributions payable under the SSCBA calculated in accordance with paragraph 30 (deduction of tax and contributions of self-employed earners); and

(ii) one-half of the amount calculated in accordance with paragraph 29.11 in respect of any qualifying premium;

29.1.3. in the case of a self-employed earner who is not a pensioner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less-

(i) an amount in respect of income tax and of national insurance contributions payable under the SSCBA calculated in accordance with paragraph 30 (deduction of tax and contributions for self-employed earners); and

(ii) one-half of the amount calculated in accordance with paragraph 29.11 in respect of any qualifying premium.

29.2. There must be disregarded from the net profit of an applicant, any sum, where applicable, specified in Schedule 2.

29.3. For the purposes of paragraph 29.1.1. the net profit of the employment must, except where paragraph 29.9. applies, be calculated by taking into account the earnings of the employment over the assessment period less-

29.3.1. subject to paragraphs 29.5. to 29.8., any expenses wholly and exclusively incurred in that period for the purposes of that employment;

29.3.2. an amount in respect of-

(i) income tax; and

(ii) national insurance contributions payable under the SSCBA, calculated in accordance with paragraph 30 (deduction of tax and contributions for self-employed earners); and

29.3.3. one-half of the amount calculated in accordance with sub-paragraph 29.11. in respect of any qualifying premium.

29.4. For the purposes of paragraph 29.1.2. the net profit of the employment is to be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 29.5. to 29.6., any expenses wholly and exclusively incurred in that period for the purposes of the employment.

29.5. Subject to paragraph 29.6. no deduction is to be made under paragraph 29.3.1. or 29.4., in respect of-

29.5.1. any capital expenditure;

29.5.2. the depreciation of any capital asset;

29.5.3. any sum employed or intended to be employed in the setting up or expansion of the employment;

29.5.4. any loss incurred before the beginning of the assessment period;

29.5.5. the repayment of capital on any loan taken out for the purposes of the employment;

29.5.6. any expenses incurred in providing business entertainment; and

29.5.7. any debts, except bad debts proved to be such, but this paragraph does not apply to any expenses incurred in the recovery of a debt.

29.6 A deduction is to be made under paragraph 29.3.1. or 29.4 in respect of the repayment of capital on any loan used for-

29.6.1. the replacement in the course of business of equipment or machinery; or

29.6.2. the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.

29.7. The authority must refuse to make a deduction in respect of any expenses under subparagraph 29.3.1. or 29.4. where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.

29.8. For the avoidance of doubt-

29.8.1. a deduction must not be made under paragraph 29.3.1. or 29.4. in respect of any sum unless it has been expended for the purposes of the business;

29.8.2. a deduction must be made thereunder in respect of-

(i) the excess of any value added tax paid over value added tax received in the assessment period;

(ii) any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;

(iii) any payment of interest on a loan taken out for the purposes of the employment.

29.9. Where an applicant is engaged in employment as a child minder the net profit of the employment is to be one-third of the earnings of that employment, less-

- 29.9.1. an amount in respect of-
- (i) income tax; and
  - (ii) national insurance contributions payable under the SSCBA, calculated in accordance with paragraph 30 (deduction of tax and contributions for self-employed earners); and
- 29.9.2. one-half of the amount calculated in accordance with paragraph 29.11. in respect of any qualifying premium.
- 29.10. For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments must not be offset against his earnings in any other of his employments.
- 29.11. The amount in respect of any qualifying premium is to be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying premium must be determined-
- 29.11.1. where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and dividing the product by the number of days in the year.
  - 29.11.2. in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.
- 29.12. In this paragraph, "qualifying premium" means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of application.

### **30 Deduction of tax and contributions of self-employed earners**

- 30.1. The amount to be deducted in respect of income tax under paragraph 29 (calculation of net profit of self-employed earners) must be calculated on the basis of the amount of chargeable income, and as if that income were assessable to income tax at the basic rate, or in the case of a Scottish tax payer, the Scottish basic rate, of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under Chapter 2, 3 and 3A of Part 3 of the Income Tax Act 2007 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate or the Scottish basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph must be calculated on a pro rata basis.
- 30.2. The amount to be deducted in respect of national insurance contributions under paragraph 29 is the total of-
- 30.2.1. the amount of Class 2 contributions payable under section 11(1) or, as the case may be, 11(3) of the SSCBA at the rate applicable to the assessment period except where the applicant's chargeable income is less than the amount specified in section 11(4) of that Act (small profits threshold) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year must be reduced pro rata; and

30.2.2. the amount of Class 4 contributions (if any) which would be payable under section 15 of the SSCBA (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits must be reduced pro rata.

30.3. In this paragraph “chargeable income” means

30.3.1. except where paragraph 30.3.2. applies, the earnings derived from the employment less any expenses deducted under paragraph 29;

30.3.2. in the case of employment as a child minder, one-third of the earnings of that employment

### **31 Calculation of income other than earnings**

31. 1. For the purposes of paragraph 22 (average weekly income other than earnings), the income of an applicant which does not consist of earnings to be taken into account must, subject to paragraphs 31.2.to 31.8., be his gross income and any capital treated as income under paragraph 32 (capital treated as income).

31.2. There is to be disregarded from the calculation of an applicant's gross income under paragraph 31.1., any sum, where applicable, specified in Schedule 3.

31.3. Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under paragraph 31.1. must be the gross amount payable.

31.4. Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008, the amount of that benefit to be taken into account is the amount as if it had not been reduced.

31.5. Where an award of any working tax credit or child tax credit under the Tax Credits Act 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under paragraph 31.1. is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

31.6. In paragraph 31.5. “**tax year**” means a period beginning on 6<sup>th</sup> April in one year and ending with 5<sup>th</sup> April in the next year.

31.7. Paragraphs 31.8. and 31.9. apply where-

31.7.1. a relevant payment has been made to a person in an academic year; and

31.7.2. that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.

31.8. Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 31.1. in

respect of a person to whom paragraph 31.7. applies, is to be calculated by applying the formula-where

$$\frac{A - (B \times C)}{D}$$

D

Where

A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 46.3 or 51.5 (costs of travel, books and equipment);

B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;

C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 82(2) (treatment of student loans) had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to a reduction under this

scheme immediately before he abandoned or was dismissed from his course, had that

person, at that time, been entitled to housing benefit;

D = the number of reduction weeks in the assessment period.

31.8. Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 31.1. in respect of a person to whom paragraph 31.7. applies, is to be calculated by applying the formula in paragraph 31.8 but as if-

A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 46.3 or 51.5 .

31.9. In this paragraph-

**“academic year”** and **“student loan”** have the same meanings as in Part 7 (students);

**“assessment period”** means:

31.9.1 in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;

31.9.2 in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes-

(i) the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or

(ii) the last day of the last quarter for which an instalment of the relevant payment was payable to that person, whichever of those dates is earlier;

**“quarter”** in relation to an assessment period means a period in that year beginning on-

- (i) 1st January and ending on 31st March;
- (ii) 1st April and ending on 30th June;
- (iii) 1st July and ending on 31st August; or
- (iv) 1st September and ending on 31st December;

**“relevant payment”** means either a student loan or an amount intended for the maintenance of dependants referred to in part 7 or both.

31.10. For the avoidance of doubt there must be included as income to be taken into account under paragraph 31.1.-

31.10.1. any payment to which part 7 applies; or

31.10.2. in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 1999 including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

## **32 Capital treated as income**

32.1. Any capital payable by instalments which are outstanding at the date on which the application is made or treated as made, or, at the date of any subsequent revision or supersession, must, if the aggregate of the instalments outstanding and the amount of the applicant's capital otherwise calculated in accordance with part 6 exceeds £16,000, be treated as income.

32.2. Any payment received under an annuity is to be treated as income.

32.3. Any earnings to the extent that they are not a payment of income is to be treated as income.

32.4. Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 is to be treated as income.

32.5. Where an agreement or court order provides that payments must be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital by virtue of this Part), is to be treated as income.

## **33 Notional income**

33.1. An applicant is to be treated as possessing income of which he has deprived himself for the purpose of securing entitlement to support under a council tax reduction scheme or increasing the amount of the support.

33.2. Except in the case of-

33.2.1. a discretionary trust;

33.2.2. a trust derived from a payment made in consequence of a personal injury;

33.2.3. a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;

33.2.4. any sum to which paragraph 50(2)(a) of Schedule 4 (capital disregards: persons who are not pensioners) applies which is administered in the way referred to in paragraph 50(1)(a);

33.2.5. any sum to which paragraph 51(a) of Schedule 4 refers;

33.2.6. rehabilitation allowance made under section 2 of the Employment and Training Act 1973;

33.2.7. child tax credit;

33.2.8. working tax credit, or

33.2.9. any sum to which paragraph 33.11. applies,  
any income which would become available to the applicant upon application being made, but which has not been acquired by him, is to be treated as possessed by the applicant but only from the date on which it could be expected to be acquired were an application made.

33.3. Any payment of income, other than a payment of income specified in paragraph 33.4., made-

33.3.1. to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) must, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;

33.3.2. to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) must, where it is not a payment referred to in paragraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;

33.3.3. to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) must be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

33.4. Paragraph 33.3. does not apply in respect of a payment of income made-

33.4.1. under or by 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 or the Independent Living Fund (2006);

33.4.2. pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);

33.4.3. pursuant to section 2 of the Employment and Training Act 1973 in respect of a person's participation-

- (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations 1996;
- (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
- (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
- (iv) in a qualifying course within the meaning specified in regulation 17A (7) of those Regulations; or
- (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;

33.4.4. in respect of a person's participation in the Work for Your Benefit Pilot Scheme;

33.4.5. in respect of a person's participation in the Mandatory Work Activity Scheme;

33.4.6. in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;

33.4.7. under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where-

(i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;

(ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and

(iii) the person referred to in sub-paragraph (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

33.5. Where an applicant is in receipt of any benefit under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority must treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority selects, to the date on which the altered rate is to take effect.

33.6. Subject to paragraph 33.7., where-

33.6.1. an applicant performs a service for another person; and

33.6.2. that person makes no payment of earnings or pays less than that paid for a comparable employment in the area,

the authority must treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.

33.7. Paragraph 33.6. does not apply-

- 33.7.1. to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
- 33.7.2. in a case where the service is performed in connection with-
- (i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations 1996, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations; or
  - (ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme; or
- 33.7.3. to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.
- 33.8. In paragraph 33.7.3. "work placement" means practical work experience which is not undertaken in expectation of payment.
- 33.9. Where an applicant is treated as possessing any income under any of paragraphs 33.1. to 33.8., the foregoing provisions of this scheme apply for the purposes of calculating the amount of that income as if a payment had actually been made and as if it were actual income which he does possess.
- 33.10. Where an applicant is treated as possessing any earnings under sub-paragraph (6) the foregoing provisions of this Part apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph 27 (calculation of net earnings of employed earners) does not apply and his net earnings are to be calculated by taking into account those earnings which he is treated as possessing, less-
- 33.10.1. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37. of the Income Tax Act 2007 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this subparagraph is to be calculated on a pro rata basis;
  - 33.10.2. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and
  - 33.10.3. one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.
- 33.11. Paragraphs 33.1, 33.2, 33.3, and 33.6. do not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant participating as a service user.

## **Part 6 – Definition and treatment of Capital for Council Tax Reduction purposes**

### **34 Capital limit**

- 34.1. For the purposes of this scheme, the prescribed amount is £16,000 and no support shall be granted where the applicant's capital, exceeds this amount.
- 34.2. Capital for the purposes of paragraph 34.1. is to be calculated in accordance with this scheme.

### **35 Calculation of capital**

- 35.1. The capital of an applicant to be taken into account must be, subject to paragraph 36.2., be the whole of his capital calculated in accordance with this scheme and any income treated as capital under paragraph 55 (income treated as capital).
- 35.2. There must be disregarded from the calculation of an applicant's capital under paragraph 36.1., any capital, where applicable, specified in Schedule 4.
- 35.3. The capital of a child or young person who is a member of the family of an applicant who is not a pensioner must not be treated as capital of the applicant.

### **36 Income treated as capital**

- 36.1. Any bounty derived from employment to which paragraph 9 of Schedule 2 (sums disregarded in the calculation of earnings) applies and paid at intervals of at least one year is to be treated as capital.
- 36.2. Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E is to be treated as capital.
- 36.3. Any holiday pay which is not earnings under paragraph 26 is to be treated as capital.
- 36.4. Except any income derived from capital disregarded under Schedule 4 any income derived from capital is to be treated as capital but only from the date it is normally due to be credited to the applicant's account.
- 36.5. In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer is to be treated as capital.
- 36.6. Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, 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 Grenfell Tower support payment, an historical child abuse payment, a Windrush payment, a Post Office compensation payment or a vaccine damage payment; the London Bombings Relief Charitable Fund, The National Emergencies Trust, the Victims of Overseas Terrorism Compensation Scheme is to be treated as capital.
- 36.7. There is to be treated as capital the gross receipts of any commercial activity carried on by a person in respect of which assistance is received under the self-employment route, but only in so far as those receipts were payable into a special account during the period in

which that person was receiving such assistance.

36.8. Any arrears of subsistence allowance which are paid to an applicant as a lump sum must be treated as capital.

36.9. Any arrears of working tax credit or child tax credit must be treated as capital.

### **37 Calculation of capital in the United Kingdom**

37.1. Capital which an applicant possesses in the United Kingdom is to be calculated at its current market or surrender value less-

37.1.1. where there would be expenses attributable to the sale, 10 per cent;  
and

37.1.2. the amount of any encumbrance secured on it.

### **38 Calculation of capital outside the United Kingdom**

38.1. Capital which an applicant possesses in a country outside the United Kingdom must be calculated-

38.1.1. in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value;

38.1.2. in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer, less, where there would be expenses attributable to sale, 10 per cent and the amount of any encumbrances secured on it.

### **39 Notional capital**

39.1. An applicant is to be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to support or increasing the amount of that support except to the extent that that capital is reduced in accordance with paragraph 41 (diminishing notional capital rule).

39.2. Except in the case of-

39.2.1. a discretionary trust; or

39.2.2. a trust derived from a payment made in consequence of a personal injury; or

39.2.3. any loan which would be obtained only if secured against capital disregarded under Schedule 4; or

39.2.4. a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or

39.2.5. any sum to which paragraph 50(2)(a) of Schedule 4 (capital disregards) applies which is administered in the way referred to in paragraph 50(1)(a); or

39.2.6. any sum to which paragraph 51(a) of Schedule 4 refers; or

39.2.7. child tax credit; or

39.2.8. working tax credit,

39.2.9. any capital which would become available to the applicant upon application being made, but which has not been acquired by him, is to be treated as possessed by him but only from the date on which it could be expected to be acquired were an application made.

39.3. Any payment of capital, other than a payment of capital specified in paragraph 39.4., made-

39.3.1. to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) must, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;

39.3.2. to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) must, where it is not a payment referred to in paragraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;

39.3.3. to a single applicant or a member of the family in respect of a third party (but not in respect of another member of the family) must be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

39.4. Paragraph 39.3. does not apply in respect of a payment of capital made-

39.4.1. under or by any of the Trusts, 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 Grenfell Tower support payment, an historical child abuse payment, a Windrush payment, a Post Office compensation payment or a vaccine damage payment; the London Bombings Relief Charitable Fund, The National Emergencies Trust, the Victims of Overseas Terrorism Compensation Scheme.

39.4.2. pursuant to section 2 of the Employment and Training Act 1973 in respect of a person's participation -

(i) in an employment programme specified in regulation 75(1)(a)

(ii) of the Jobseeker's Allowance Regulations 1996;

(ii) in a training scheme specified in regulation 75(1)(b) of those Regulations;

(iii) in the Intense Activity Period specified in regulation 75(1)(a) of those Regulations;

(iv) in a qualifying course within the meaning specified in regulation 17A (7) of those Regulations; or

(v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;

39.4.3. in respect of a person's participation in the Work for Your Benefit Pilot Scheme;

39.4.4. in respect of a person's participation in the Mandatory Work Activity Scheme;

39.4.5. in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;

- 39.4.6. under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where- a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
- (i) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
  - ( ) the person referred to in sub-paragraph (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.
- 39.5. Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case-
- 39.5.1. the value of his holding in that company must, notwithstanding paragraph 64(calculation of capital) be disregarded; and
- 39.5.2. he must, subject to paragraph 39.6., be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this Chapter apply for the purposes of calculating that amount as if it were actual capital which he does possess.
- 39.6. For so long as the applicant undertakes activities in the course of the business of the company, the amount which he is treated as possessing under sub-paragraph 39.5. is to be disregarded.
- 39.7. Where an applicant is treated as possessing capital under any of paragraphs 39.1., 39.2. or 39. the foregoing provisions of this scheme apply for the purposes of calculating its amount as if it were actual capital which he does possess.

## **40 Diminishing notional capital rule**

- 40.1. Where an applicant is treated as possessing capital under paragraph 39 (notional capital), the amount which he is treated as possessing-
- 40.1.1. in the case of a week that is subsequent to-
- (i) the relevant week in respect of which the conditions set out in paragraph 40.2. are satisfied; or
  - (ii) a week which follows that relevant week, and which satisfies those conditions, is to be reduced by an amount determined under paragraph 40.3.;
- 40.1.2. in the case of a week in respect of which paragraph 40.1.1. does not apply but where-
- (i) that week is a week subsequent to the relevant week; and
  - (ii) that relevant week is a week in which the condition in paragraph 40.4. is satisfied, is to be reduced by the amount determined under paragraph 40.5.
- 40.2. This paragraph applies to a reduction week or part-week where the applicant satisfies the conditions that-
- 40.2.1. he is in receipt of a reduction in council tax under this scheme; and
- 40.2.2. but for paragraph 40.1., he would have received a greater reduction in council tax under this scheme in that week.

- 40.3. In a case to which paragraph 40.2. applies, the amount of the reduction in the amount of capital he is treated as possessing for the purposes of paragraph 40.1.1. is equal to the aggregate of-
- 40.3.1. an amount equal to the additional amount of the reduction in council tax to which paragraph 40.2.2. refers;
  - 40.3.2. where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);
  - 40.3.3. where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2. refers but for the application of regulation 51(1) of the Income Support (General) Regulations 1987 (notional capital);
  - 40.3.4. where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2.refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital); and
  - 40.3.5. where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of the reduction week to which subparagraph (2) refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).
- 40.4. Subject to paragraph 40.6., for the purposes of paragraph 40.1.2. the condition is that the applicant would have been entitled to a reduction in council tax in the relevant week but for paragraph 40.1., and in such a case the amount of the reduction in the amount of capital he is treated as possessing must be equal to the aggregate of-
- 40.4.1. the amount of council tax benefit to which the applicant would have been entitled in the relevant week but for paragraph 40.1.;
  - 40.4.2. if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit week which includes the last day of the relevant week, the amount which is equal to-
    - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
    - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled;
  - 40.4.3. if the applicant would, but for regulation 51(1) of the Income Support (General) Regulations 1987, have been entitled to income support in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled;
  - 40.4.4. if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the benefit week, within the meaning of regulation 1(3) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled; and

- 40.4.5. if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled.
- 40.5. But if the amount mentioned in paragraph 40.4.1. to 40.4.5. (“the relevant amount”) is in respect of a part-week, the amount that is to be taken into account under that paragraph is to be determined by-
- 40.5.1. dividing the relevant amount by the number equal to the number of days in that part-week, and
- 40.5.2. multiplying the result of that calculation by 7.
- 40.6. The amount determined under paragraph 40.4. is to be re-determined under the appropriate sub-paragraph if the applicant makes a further application and the conditions in paragraph 40.7 are satisfied, and in such a case-
- 40.6.1. paragraphs 40.4.1. to 40.4.5. apply as if for the words “relevant week” there were substituted the words “relevant subsequent week”; and
- 40.6.2. subject to paragraph 40.8. the amount as re-determined has effect from the first week following the relevant subsequent week in question.
- 40.7. The conditions are that-
- 40.7.1. a further application is made 26 or more weeks after-
- (i) the date on which the applicant made an application for a reduction under this scheme in respect of which he was first treated as possessing the capital in question under paragraph 39.1.;
  - (ii) in a case where there has been at least one re- determination in accordance with sub-paragraph 40.6., the date on which he last made an application under this scheme which resulted in the weekly amount being redetermined, or
  - (iii) the date on which he last ceased to be entitled to a reduction under this scheme, whichever last occurred; and
- 40.7.2. the applicant would have been entitled to a reduction under this scheme but for paragraph 39.1.
- 40.8. The amount as re-determined pursuant to paragraph 40.6. must not have effect if it is less than the amount which applied in that case immediately before the re- determination and in such a case the higher amount must continue to have effect.
- 40.9. For the purposes of this paragraph- “part-week”
- 40.9.1. in relation to an amount mentioned in paragraph 40.5., means a period of less than a week for which a reduction under this scheme is allowed;
- 40.9.2. in relation to an amount mentioned in paragraph 40.4.2., means a period of less than a week for which housing benefit is payable;
- 40.9.3. in relation to an amount mentioned in paragraph 40.4.3., 40.4.4. or 40.4.5. means -
- (i) a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker’s allowance is payable; and

(ii) any other period of less than a week for which it is payable;

“relevant week” means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of paragraph 40.1

(i) was first taken into account for the purpose of determining his entitlement to a reduction; or

(ii) was taken into account on a subsequent occasion for the purpose of determining or redetermining his entitlement to a reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, a reduction,

and where more than one reduction week is identified by reference to paragraphs (i) and (ii) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

“relevant subsequent week” means the reduction week or part-week which includes the day on which the further application or, if more than one further application has been made, the last such application was made.

## **41 Capital jointly held**

41.1. Except where an applicant possesses capital which is disregarded under paragraph 33 (notional capital), where an applicant and one or more persons are beneficially entitled in possession to any capital asset they must be treated, in the absence of evidence to the contrary, as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this scheme apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess.

## **42 Calculation of tariff income from capital**

42.1. Where the applicant's capital, calculated in accordance with this scheme, exceeds £6,000 it shall be treated as equivalent to a weekly income of £1 for each £250, or part thereof, in excess of £6,000 but not exceeding £16,000;

42.2. For the purposes of paragraph 42.1. capital includes any income treated as capital under paragraph 36.

## Part 7 – Definition and treatment of Students for Council Tax Reduction purposes.

### 43 Interpretation (Students)

43.1. In this scheme, as regards Students,

**“academic year”** means the period of twelve months beginning on 1st January, 1st April, 1st July or 1st September according to whether the course in question begins in the winter, the spring, the summer or the autumn respectively but if students are required to begin attending the course during August or September and to continue attending through the autumn, the academic year of the course is to be considered to begin in the autumn rather than the summer;

**“access funds”** means-

(a) grants made under section 68 of the Further and Higher Education Act 1992 for the purpose of providing funds on a discretionary basis to be paid to students;

(b) grants made under sections 73(a) and (c) and 74(1) of the Education (Scotland) Act 1980;

(c) grants made under Article 30 of the Education and Libraries (Northern Ireland) Order 1993 or grants, loans or other payments made under Article 5 of the Further Education (Northern Ireland) Order 1997 in each case being grants, or grants, loans or other payments as the case may be, for the purpose of assisting students in financial difficulties;

(d) discretionary payments, known as “learner support funds”, which are made available to students in further education by institutions out of funds provided by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding under sections 100 and 101 of the Apprenticeships, Skills, Children and Learning Act 2009; or

(e) Financial Contingency Funds made available by the Welsh Ministers;

**“college of further education”** means a college of further education within the meaning of Part 1 of the Further and Higher Education (Scotland) Act 1992;

**“contribution”** means-

(a) any contribution in respect of the income of a student or any person which the Secretary of State, the Scottish Ministers or an education authority takes into account in ascertaining the amount of a student's grant or student loan; or

(b) any sums, which in determining the amount of a student's allowance or bursary in Scotland under the Education (Scotland) Act 1980, the Scottish Ministers or education authority takes into account being sums which the Scottish Ministers or education authority considers that it is reasonable for the following persons to contribute towards the holder's expenses-

(i) the holder of the allowance or bursary;

(ii) the holder's parents;

(iii) the holder's parent's spouse, civil partner

(iv) or a person ordinarily living with the holder's parent as if he or she were the spouse or civil partner of that parent; or

(v) the holder's spouse or civil partner;

**“course of study”** means any course of study, whether or not it is a sandwich course and whether or not a grant is made for attending or undertaking it;

**“covenant income”** means the gross income payable to a full-time student under a Deed of Covenant by his parent;

**“education authority”** means a government department, a local authority as defined in section 579 of the Education Act 1996 (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973, an education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986, anybody which is a research council for the purposes of the Science and Technology Act 1965 or any analogous government department, authority, board or body, of the Channel Islands, Isle of Man or any other country outside Great Britain;

**“full-time course of study”** means a full-time course of study which

- (a) is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by the Scottish Ministers at a college of further education or a full-time course of study which is a course of higher education and is funded in whole or in part by the Scottish Ministers;
- (b) is funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers if it involves more than 16 guided learning hours per week for the student in question, according to the number of guided learning hours per week for that student set out-
  - (i) in the case of a course funded by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student's learning agreement signed on behalf of the establishment which is funded by either of those persons for the delivery of that course; or
  - (ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or
- (c) is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves
  - (i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or
  - (ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

**“full-time student”** means a person attending or undertaking a full-time course of study and includes a student on a sandwich course;

**“grant”** (except in the definition of “access funds”) means any kind of educational grant or award and includes any scholarship, studentship, exhibition, allowance or bursary but does not include a payment from access funds or any payment to which paragraph 16 of Schedule 8 or paragraph 55 of Schedule 10 (allowances and payments for courses of study) applies;

**“grant income”** means

- (a) any income by way of a grant;
- (b) any contribution whether or not it is paid;

**“higher education”** means higher education within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992;

**“last day of the course”** means

- (a) in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;
- (b) in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

**“period of study”** means

- (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 the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, 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 his studying throughout the year or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or
  - (ii) in any other case, the day before the start of the normal summer vacation appropriate to his 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;

**“periods of experience”** means periods of work experience which form part of a sandwich course;

**“qualifying course”** means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker's Allowance Regulations 1996; “sandwich course” has the meaning prescribed in regulation 2(9) of the Education (Student Support) Regulations 2008, regulation 4(2) of the Education (Student Loans) (Scotland) Regulations 2007 or regulation 2(8) of the Education (Student Support) Regulations (Northern Ireland) 2007, as the case may be;

**“standard maintenance grant”** means

- (a) except where paragraph (b) or (c) applies, in the case of a student attending or undertaking a course of study at the University of London or an establishment within the area comprising the City of London and the Metropolitan Police District, the amount specified for the time being in paragraph 2(2)(a) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (“the 2003 Regulations”) for such a student;
- (b) except where paragraph (c) applies, in the case of a student residing at his parent's home, the amount specified in paragraph 3 thereof;
- (c) in the case of a student receiving an allowance or bursary under the Education (Scotland) Act 1980, the amount of money specified as “standard maintenance allowance” for the relevant year appropriate for the student set out in the Student Support in Scotland Guide issued by the Student Awards Agency for Scotland, or its nearest equivalent in the case of a bursary provided by a college of further education or a local education authority;
- (d) in any other case, the amount specified in paragraph 2(2) of Schedule 2 to the 2003 Regulations other than in sub-paragraph (a) or (b) thereof;

**“student”** means a person, other than a person in receipt of a training allowance, who is attending or undertaking

- (a) a course of study at an educational establishment; or

- (b) a qualifying course;

**student loan**” means a loan towards a student's maintenance pursuant to any regulations made under section 22 of the Teaching and Higher Education Act 1998, section 73 of the Education (Scotland) Act 1980 or Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 and includes, in Scotland, a young student's bursary paid under regulation 4(1)(c) of the Students' Allowances (Scotland) Regulations 2007.

43.2. For the purposes of the definition of “full-time student” in paragraph 43.1., a person must be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course-

43.2.1. subject to paragraph 43.3., in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending-

- (i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or
- (ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;

43.2.2. in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.

43.3. For the purposes of paragraph 43.2.1., the period referred to in that paragraph includes-

43.3.1. where a person has failed examinations or has failed successfully to complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;

43.3.2. any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

43.4. In paragraph 43.2., “**modular course**” means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

## 44 Treatment of students

44.1. This scheme has effect in relation to students subject to the following provisions

## 45 Students who are excluded from entitlement to a reduction under this scheme

45.1. Students, except those specified in paragraph 45.2., are excluded from receiving a reduction under this scheme.

45.2. Paragraph 45.1. does not apply to a student-

- 45.2.1. who is a person on income support, an income-based jobseeker's allowance, an income-related employment and support allowance or has a universal credit award;
- 45.2.2. who is a lone parent;
- 45.2.3. whose applicable amount would, but for this paragraph, include the disability premium or severe disability premium;
- 45.2.4. whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
- 45.2.5. who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days must be treated as one continuous period;
- 45.2.6. who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- 45.2.7. who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;
- 45.2.8. who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989 or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968; 45.2.9. who is-
- (i) aged under 21 and whose course of study is not a course of higher education,
  - (ii) aged 21 and attained that age during a course of study which is not a course of higher education, or
  - (iii) a qualifying young person or child within the meaning of section 142 of the SSCBA (child and qualifying young person);
- 45.2.9. in respect of whom-
- (i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;
  - (ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) of regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;
  - (iii) a payment has been made under or by virtue of regulations made under the Teaching and Higher Education Act 1998;
  - (iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or
  - (v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986, on account of his disability by reason of deafness.

45.3. Paragraph 45.2.9.(ii) only applies to an applicant until the end of the course during which the applicant attained the age of 21.

45.4. For the purposes of paragraph 45.2., once paragraph 45.2.5. applies to a full-time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph must, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.

45.5. In paragraph 45.2.9. the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.

45.6. A full-time student to whom paragraph 45.2.9. applies must be treated as satisfying that paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

45.7. Paragraph 45.1. does not apply to a full-time student for the period specified in paragraph 45.8. if-

45.7.1. at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is-

(i) engaged in caring for another person; or

(ii) ill;

45.7.2. he has subsequently ceased to be engaged in caring for that person or, as the case may be, he has subsequently recovered from that illness; and

45.7.3. he is not eligible for a grant or a student loan in respect of the period specified in sub-paragraph (8).

45.8. The period specified for the purposes of paragraph 45.7. is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before-

45.8.1. the day on which he resumes attending or undertaking the course;  
or

45.8.2. the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course,  
whichever first occurs.

## **46 Calculation of grant income**

46.1. The amount of a student's grant income to be taken into account in assessing his income must, subject to paragraphs 46.2. and 46.3., be the whole of his grant income.

46.2. There must be excluded from a student's grant income any payment -

46.2.1. intended to meet tuition fees or examination fees;

46.2.2. in respect of the student's disability;

46.2.3. intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;

- 46.2.4. on account of the student maintaining a home at a place other than that at which he resides during his course;
- 46.2.5. on account of any other person but only if that person is residing outside the United Kingdom and there is no applicable amount in respect of him;
- 46.2.6. intended to meet the cost of books and equipment;
- 46.2.7. intended to meet travel expenses incurred as a result of his attendance on the course;
- 46.2.8. intended for the childcare costs of a child dependant;
- 46.2.9. of higher education bursary for care leavers made under Part 3 of the Children Act 1989.
- 46.3. Where a student does not have a student loan and is not treated as possessing such a loan, there must be excluded from the student's grant income-
- 46.3.1. the sum of £303 per academic year in respect of travel costs; and
- 46.3.2. the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.
- 46.4. There must also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.
- 46.5. Subject to paragraphs 46.6. and 46.7., a student's grant income must be apportioned-
- 46.5.1. subject to paragraph 46.8., in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
- 46.5.2. in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.
- 46.6. Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 must be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.
- 46.7. In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 46.6. nor paragraph 50 (other amounts to be disregarded) applies, must be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.
- 46.8. In the case of a student on a sandwich course, any periods of experience within the period

of study must be excluded and the student's grant income must be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.

## **47 Calculation of covenant income where a contribution is assessed**

47.1. Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following must be the whole amount of the covenant income less, subject to paragraph 47.3., the amount of the contribution.

47.2. The weekly amount of the student's covenant must be determined-

47.2.1. by dividing the amount of income which falls to be taken into account under paragraph 58.1. by 52 or 53, whichever is reasonable in the circumstances; and

47.2.2. by disregarding £5 from the resulting amount.

47.3. For the purposes of paragraph 48.1., the contribution must be treated as increased by the amount (if any) by which the amount excluded under paragraph 47.2.7. falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

## **48 Covenant income where no grant income or no contribution is assessed**

48.1. Where a student is not in receipt of income by way of a grant the amount of his covenant income must be calculated as follows-

48.1.1. any sums intended for any expenditure specified in paragraph 46.2.1. to 46.2.5. necessary as a result of his attendance on the course must be disregarded;

48.1.2. any covenant income, up to the amount of the standard Maintenance grant, which is not so disregarded, must be apportioned equally between the weeks of the period of study;

48.1.3. there must be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 46.2.6. and 46.3. had the student been in receipt of the standard maintenance grant; and

48.1.4. the balance, if any, must be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 must be disregarded.

48.2. Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income must be calculated in accordance with paragraphs 48.1.1. to 48.1.4., except that-

48.2.1. the value of the standard maintenance grant must be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 46.2.1. to 46.2.5.; and

48.2.2. the amount to be disregarded under paragraph 48.1.3. must be abated by an amount equal to the amount of any sums disregarded under paragraph 46.2.6 and 46.2.7. and 46.3.

## **49 Relationship with amounts to be disregarded under Schedule 8**

49.1. No part of a student's covenant income or grant income is to be disregarded under paragraph 19 of Schedule 3 (disregard of certain charitable and voluntary, etc., payments).

## **50 Other amounts to be disregarded**

50.1. For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with paragraph 52 (treatment of student loans), any amounts intended for any expenditure specified in paragraph 47.2. (calculation of grant income), necessary as a result of his attendance on the course must be disregarded.

50.2. Paragraph 50.1. applies only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraph 46.2. or 46.3., 47.3., 48.1.1. or 48.1.3. or 51.5. (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

## **51 Treatment of student loans**

51.1. A student loan is to be treated as income.

51.2. In calculating the weekly amount of the loan to be taken into account as income-

51.2.1. in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period is to be apportioned equally between the weeks in the period beginning with-

(i) except in a case where sub-paragraph (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year; (iii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;

51.2.2. in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year is to be apportioned equally between the weeks in the period-

(i) beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year, and

(ii) ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year, but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the authority, the longest of any vacation is taken and for the purposes of this paragraph, "quarter" has the same meaning as for the purposes of the Education (Student Support) Regulations 2005;

51.2.3. in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year is to be apportioned equally between the weeks in the period beginning with-

(i) except in a case where sub-paragraph (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of that academic year;

(ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincides with, or immediately follows, the earlier of 1st September or the first day of the autumn term,

and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;

51.2.4. in any other case, the loan is to be apportioned equally between the weeks in the period beginning with the earlier of-

(i) the first day of the first reduction week in September; or

(ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term,

and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of June, and, in all cases, from the weekly amount so apportioned £10 is to be disregarded.

51.3. A student is to be treated as possessing a student loan in respect of an academic year where-

51.3.1. a student loan has been made to him in respect of that year; or

51.3.2. he could acquire such a loan in respect of that year by taking reasonable steps to do so.

51.4. Where a student is treated as possessing a student loan under paragraph 51.3., the amount of the student loan to be taken into account as income must be, subject to paragraph 51.5.-

51.4.1. in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to-

(i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and

(ii) any contribution whether or not it has been paid to him;

51.4.2. in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if-

(i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and

(ii) no deduction in that loan was made by virtue of the application of a means test.

51.5. There must be deducted from the amount of income taken into account under paragraph 51.4.-

51.5.1. the sum of £303 per academic year in respect of travel costs; and

51.5.2. the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.

51.6. A loan for fees, known as a fee loan or a fee contribution loan, made pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998,

section 22 of the Teaching and Higher Education Act 1998 or section 73(f) of the Education (Scotland) Act 1980, shall be disregarded as income.

## **52 Treatment of payments from access funds**

52.1. This paragraph applies to payments from access funds that are not payments to which paragraph 36 (income treated as capital) applies.

52.2. A payment from access funds, other than a payment to which paragraph 52.3. applies, must be disregarded as income.

52.3. Subject to paragraph 52.4. and paragraph 40 of Schedule 3 (disregards in the calculation of income other than earnings)-

52.3.1. any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family, and

52.3.2. any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable,  
must be disregarded as income to the extent of £20 per week.

52.4. Where a payment from access funds is made-

52.4.1. on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or

52.4.2. before the first day of the course to a person in anticipation of that person becoming a student,  
that payment must be disregarded as income.

## **53 Disregard of contribution**

53.1. Where the applicant or his partner is a student and, for the purposes of assessing a contribution to the student's grant or student loan, the other partner's income has been taken into account, an amount equal to that contribution must be disregarded for the purposes of assessing that other partner's income.

## **54 Further disregard of student's income**

54.1. Where any part of a student's income has already been taken into account for the purposes of assessing his entitlement to a grant or student loan, the amount taken into account must be disregarded in assessing that student's income.

## **55 Income treated as capital**

55.1. Any amount by way of a refund of tax deducted from a student's covenant income must be treated as capital.

55.2. An amount paid from access funds as a single lump sum must be treated as capital.

55.3. An amount paid from access funds as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that applicant or member is liable, must be disregarded as capital but only for a period of 52 weeks from the date of the payment.

## **56 Disregard of changes occurring during summer vacation**

56.1. In calculating a student's income the authority must disregard any change in the standard maintenance grant, occurring in the recognised summer vacation appropriate to the student's course, if that vacation does not form part of his period of study from the date on which the change occurred to the end of that vacation.

## **Part 8 – The calculation and amount of Council Tax Reduction.**

### **57 Maximum and minimum council tax reduction amount under this scheme.**

- 57.1. Subject to paragraphs 57.2 to 57.4, a person's maximum council tax reduction amount in respect of a day is 100 per cent of the amount A/B where:
- 57.1.1. A is the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and
- 57.1.2. B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under paragraph 58 (non-dependant deductions).
- 57.2. In calculating a person's maximum council tax reduction under this scheme any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act (other than a reduction under this scheme), is to be taken into account.
- 57.3. Subject to sub-paragraph 57.4., where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons, in determining the maximum council tax reduction in his case in accordance with paragraph 57.1, the amount A is to be divided by the number of persons who are jointly and severally liable for that tax.
- 57.4. Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph 57.3. does not apply in his case.
- 57.5. The reference in paragraph 57.3. to a person with whom an applicant is jointly and severally liable for council tax, where the applicant is a person who is not a pensioner, does not include a student to whom paragraph 45 (entitlement of students to a reduction under this scheme) applies.
- 57.6. In this paragraph “**relevant financial year**” means, in relation to any particular day, the financial year within which the day in question falls.
- 57.7. Where a council tax reduction is payable, it shall not be payable where the amount to which a person would otherwise be entitled is less than one pound per benefit week.

### **58 Non-dependant deductions**

- 58.1. Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in paragraph 57 are as prescribed in the relevant “Council Tax Reduction Schemes (Prescribed Requirements) England (Amendment) Regulations produced each year up-rating the amounts for the forthcoming financial year
- 58.2. Only one deduction is to be made under this paragraph in respect of a couple or, as the case may be, members of a polygamous marriage (other than where there is an award of universal credit) and, where, but for this paragraph, the amount that would fall to be deducted in respect of one member of a couple or polygamous marriage is higher

than the amount (if any) that would fall to be deducted in respect of the other, or any other, member, the higher amount is to be deducted.

58.3 In applying the provisions of paragraph 58.2. in the case of a couple or, as the case may be, a polygamous marriage, regard must be had, for the purpose of that sub-paragraph, to the couple's or, as the case may be, all members of the polygamous marriage's joint weekly gross income.

58.4. Where in respect of a day-

58.4.1. a person is a resident in a dwelling but is not himself liable for council tax in respect of that dwelling and that day;

58.4.2. other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 of the 1992 Act (liability of spouses and civil partners); and

58.4.3. the person to whom paragraph 58.4.1. refers is a non-dependant of two or more of the liable persons,  
the deduction in respect of that non-dependant must be apportioned equally between those liable persons.

58.5. No deduction is to be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or his partner is-

58.5.1. blind or treated as blind by virtue of paragraph 10 of Schedule 1 (additional condition for the disability premium); or

58.5.2. receiving in respect of himself-

(i) attendance allowance, or would be receiving that allowance but for-

(aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or

(bb) an abatement as a result of hospitalisation; or

(ii) the care component of the disability living allowance, or would be receiving that component but for-

(aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or

(bb) an abatement as a result of hospitalisation; or

(iii) the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients); or

(iv) an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution.

58.6. No deduction is to be made in respect of a non-dependant if:

58.6.1. although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or

58.6.2. he is in receipt of a training allowance paid in connection with youth training established under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or

58.6.3. he is a full-time student within the meaning of this scheme; or

58.6.4. he is not residing with the applicant because he has been a patient for a period in excess of 52 weeks, and for these purposes-

- (i) **“patient”** has the meaning given in paragraph 8.6, and
- (ii) where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he is to be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods.

58.6.5 he is not residing with the applicant because he is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006 who is absent, whilst on operations, from the dwelling normally occupied as their home.

58.7. No deduction is to be made in respect of a non-dependant:

58.7.1. who is on income support, state pension credit, an income-based jobseeker's allowance or an income-related employment and support allowance;

58.7.2. to whom Schedule 1 to the 1992 Act applies (persons disregarded for purposes of discount), but this paragraph does not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers: or

58.7.3. who is entitled to an award of universal credit where the award is calculated on the basis that the person does not have any earned income.

58.8. In the application of paragraph 58.1. there is to be disregarded from the non-dependant's weekly gross income:

58.8.1. any attendance allowance, disability living allowance, personal independence payment or an AFIP received by him;

58.8.2. any payment made under or by the Trusts, 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 Grenfell Tower support payment, an historical child abuse payment, a Windrush payment, a Post Office compensation payment or a vaccine damage payment; the London Bombings Relief Charitable Fund, The National Emergencies Trust, the Victims of Overseas Terrorism Compensation Scheme; or the Independent Living Fund (2006) which, had his income fallen to be calculated under paragraph 31 (calculation of income other than earnings), would have been disregarded under paragraph 28 of Schedule 3 (income in kind); and

58.8.3. any payment which, had his income fallen to be calculated under paragraph 31, would have been disregarded under paragraph 41 of Schedule 3 (payments made under certain trusts and certain other payments).

58.8.4. any payment made under, or by, a trust which is approved by the Secretary of State and which is established for the purpose of giving relief and assistance to a disabled person

whose disability was caused by their mother having taken a preparation containing the drug known as Thalidomide during her pregnancy.

58.9. For the purposes of paragraph 58.7., “earned income” has the meaning given in regulation 52 of the Universal Credit Regulations 2013.

## **59 Council Tax Reduction Taper (Applies to persons defined within Class E)**

59.1. The prescribed daily percentage for the purposes of calculating support as a percentage of income over the applicable amount, which is deducted from maximum council tax reduction, shall be 20 per cent. Where an applicant’s income exceeds their applicable amount, their council tax reduction shall be calculated by deducting their excess income multiplied by the taper from their maximum council tax reduction as defined in paragraph 57 of this scheme.

## **60 Extended reductions**

60.1. An applicant who is entitled to a reduction under this scheme by virtue of the general conditions of entitlement shall be entitled to an extended reduction where-

60.1.1. the applicant or the applicant's partner was entitled to a qualifying income-related benefit;

60.1.2. entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner-

- (i) commenced employment as an employed or self-employed earner;
- (ii) increased their earnings from such employment; or
- (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, those increased earnings or increased number of hours are expected to last five weeks or more; and

60.1.3. the applicant or the applicant's partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker's allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.

60.2. For the purpose of sub-paragraph 60.1.3., an applicant or an applicant's partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker's allowance during any period of less than five weeks in respect of which the applicant or the applicant's partner was not entitled to any of those benefits because the applicant or the applicant's partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.

60.3. For the purpose of this paragraph, where an applicant or an applicant's partner is entitled to and in receipt of joint-claim jobseeker's allowance they must be treated as being entitled to and in receipt of jobseeker's allowance.

60.4. An applicant must be treated as entitled to a reduction under this scheme by virtue of the general conditions of entitlement where-

- 60.4.1. the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;
- 60.4.2. the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and
- 60.4.3. entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in paragraph 60.1.2.
- 60.4.4. This paragraph shall not apply where, on the day before an applicant's entitlement to income support ceased, regulation 6(5) of the Income Support (General) Regulations 1987 (remunerative work: housing costs) applied to that applicant.

## **61 Duration of extended reduction period**

- 61.1. Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.
- 61.2. For the purpose of paragraph 61.1., an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.
- 61.3. The extended reduction period ends-
  - 61.3.1. at the end of a period of four weeks; or
  - 61.3.2. on the date on which the applicant to whom the extended reduction is payable has no liability for council tax if that occurs first.

## **62 Amount of extended reduction**

- 62.1. For any week during the extended reduction period the amount of the extended reduction to which an applicant is entitled is to be the higher of-
  - 62.1.1. the amount of the reduction under this scheme to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;
  - 62.1.2. the amount of reduction under this scheme to which the applicant would be entitled under the general conditions of entitlement in any reduction week during the extended reduction period, if paragraph 60 did not apply to the applicant; or
  - 62.1.3. the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of under the general conditions of entitlement if paragraph 60 did not apply to the applicant.
- 62.2. Paragraph 62.1. does not apply in the case of a mover.

62.3. Where an applicant is in receipt of an extended reduction under this paragraph and the applicant's partner makes an application for a reduction under this scheme, no amount of reduction under this scheme is to be awarded by the authority during the extended reduction period.

### **63 Amount of extended reduction - movers**

63.1. This paragraph applies-

63.1.1. to a mover; and

63.1.2. from the Monday following the day of the move.

63.2. The amount of the extended reduction awarded from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme to which the mover would have been entitled had they, or their partner, not ceased to be entitled to a qualifying income- related benefit.

63.3. Where a mover's liability to pay council tax in respect of the new dwelling is to a second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from this authority to-

63.3.1. the second authority; or

63.3.2. the mover directly.

63.3. Where –

63.3.1. a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit; and

63.3.2. the mover, or the mover's partner, is in receipt of an extended reduction from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction until the end of the extended reduction period.

### **64 Relationship between extended reduction and entitlement to a reduction under the general conditions of entitlement**

64.1. Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction payable in accordance with paragraphs 62.1.1. or 63.2.

### **65 Extended reductions (qualifying contributory benefits)**

65.1. An applicant who is entitled to a reduction under this scheme by virtue of the general conditions of entitlement shall be entitled to an extended reduction (qualifying contributory benefits) where-

65.1.1. the applicant or the applicant's partner was entitled to a qualifying contributory benefit;

65.1.2. entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner-

- (i) commenced employment as an employed or self-employed earner;
- (ii) increased their earnings from such employment; or
- (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, those increased earnings or increased number of hours are expected to last five weeks or more;

65.1.3. the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and

65.1.4. the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

65.2. An applicant must be treated as entitled to a reduction under this scheme by virtue of the general conditions of entitlement where-

65.2.1. the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;

65.2.2. the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and

65.2.3. entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in paragraph 65.1.2.

## **66 Duration of extended reduction period (qualifying contributory benefits)**

66.1. Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

66.2. For the purpose of paragraph 66.1., an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.

66.3. The extended reduction period ends-

66.3.1. at the end of a period of four weeks; or

66.3.2. on the date on which the applicant entitled to the extended reduction (qualifying contributory benefits) has no liability for council tax if that occurs first.

## **67 Amount of extended reduction (qualifying contributory benefits)**

- 67.1. For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant is to be the greater of-
- 67.1.1. the amount of reduction under this scheme to which the applicant was entitled by virtue of the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
  - 67.1.2. the amount of reduction under this scheme to which the applicant would be entitled by virtue of the general conditions of entitlement for any reduction week during the extended reduction period, if paragraph 65 did not apply to the applicant; or
  - 67.1.3. the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of the general conditions of entitlement if paragraph 65 did not apply to the applicant.
- 67.2. Paragraph 67.1. does not apply in the case of a mover.
- 67.3. Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this paragraph and the applicant's partner makes an application for a reduction under this scheme, no amount of reduction may be allowed by the appropriate authority during the extended reduction period.

## **68 Amount of extended reductions (qualifying contributory benefits)-movers**

- 68.1. This paragraph applies-
- 68.1.1. to a mover; and
  - 68.1.2. from the Monday following the day of the move.
- 68.2. The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme which was awarded to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.
- 68.3. Where a mover's liability to pay council tax in respect of the new dwelling is to a second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from this authority to-
- 68.3.1. the second authority; or
  - 68.3.2. the mover directly.

## **69 Relationship between extended reduction (qualifying contributory benefits) and entitlement to reduction by virtue of the general conditions of entitlement**

- 69.1. Where an applicant's reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 65.1.2., that reduction does not cease until the end of the extended reduction period.

69.2. Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 67.1.1. or 68.2.

## **70 Extended reductions: movers into the authority's area**

70.1. Where-

70.1.1. an application is made to the authority ("the current authority") for a reduction under this scheme, and

70.1.2. the applicant, or the partner of the applicant, is in receipt of an extended reduction from-

- (i) another billing authority in England; or
- (ii) a billing authority in Wales,

the current authority must reduce any reduction to which the applicant is entitled under this scheme by the amount of that extended reduction.

## **Part 9 – Date on which entitlement and changes in circumstances are to take effect.**

### **71. Date on which entitlement begins**

- 71.1. Subject to paragraph 71.2., any person by whom or in respect of whom an application for a reduction under this scheme is made and who is otherwise entitled to that reduction is so entitled from the reduction week following the date on which that application is made or is treated as made.
- 71.2. Where a person is otherwise entitled to a reduction under this scheme and becomes liable for the first time for the authority's council tax in respect of a dwelling of which he is a resident in the reduction week in which his application is made or is treated as made, he is so entitled from that reduction week.

### **72 Date on which change of circumstances is to take effect**

- 72.1. Except in cases where paragraph 25 (disregard of changes in tax, contributions, etc.) applies and subject to Paragraph 73 and 74 and the following provisions of this paragraph and, a change of circumstances which affects entitlement to, or the amount of, a reduction under this scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs.
- 72.2. Where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs is the day immediately following the last day of entitlement to that benefit.
- 72.3. Subject to paragraph 73.4., where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.
- 72.4. Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under section 11 or 11A of that Act (discounts), it takes effect from the day on which the change in amount has effect.
- 72.5. Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.
- 72.6. Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.
- 72.7. If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with paragraphs 72.1. to 72.6. they take effect from the day to which the appropriate paragraph from 72.3. to 72.6. above refers, or, where more than one day is concerned, from the earlier day.
- 72.8. Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the SSCBA, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances takes effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

72.9. Without prejudice to paragraph 72.8., where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

72.10 Paragraph 72.11. applies if -

72.10.1. the applicant or his partner has attained the qualifying age for state pension credit; and

72.10.2. either -

- (i) a non-dependant took up residence in the applicant's dwelling; or
- (ii) there has been a change of circumstances in respect of a non-dependant so that the amount of the deduction which falls to be made under paragraph 31 (non-dependant deductions) increased.

72.11. Where this sub-paragraph applies, the change of circumstances referred to in paragraph 72.10.2. takes effect from the effective date.

72.12 In paragraph 72.11., but subject to paragraph 72.13, “the effective date” means

72.12.1. where more than one change of a kind referred to in paragraph 72.10.2. relating to the same non-dependant has occurred since –

- (i) the date on which the applicant's entitlement to a reduction under this scheme first began; or
- (ii) the date which was the last effective date in respect of such a change, whichever is the later, the date which falls 26 weeks after the date on which the first such change occurred;

72.12.2. where paragraph 72.12.1. does not apply, the date which falls 26 weeks after the date on which the change referred to in sub-paragraph 72.10.2. occurred.

72.13. If in any particular case the date determined under paragraph 72.12 is not the first day of a reduction week, the effective date in that case is to be the first day of the next reduction week to commence after the date determined under that sub-paragraph.

### **73 When beneficial changes of circumstances take effect**

73.1. For the purposes of determining the date on which a new decision is to take effect, in a case where –

- i. the change of circumstances is a change of circumstances that is required by regulations to be notified; and
- ii. that change of circumstances is notified more than one month after it occurs, or such longer period as may be allowed under paragraph 74; and
- iii. the new decision is advantageous to the claimant,  
the date of notification of the change of circumstances shall be treated as the date on which the change of circumstances occurred.

## **74 Conditions for accepting a delay in notification of a change**

- 74.1. For the purposes of making a decision under paragraph 73 a longer period of time may be allowed for the notification of a change of circumstances in so far as it affects the effective date of the change where the conditions specified in the following provisions of this paragraph are satisfied.
- 74.2. An application for the purposes of paragraph 74.1. shall
- 74.2.1. include particulars of the change of circumstances and the reasons for the failure to notify the change of circumstances on an earlier date and
  - 74.2.2. be made within 13 months of the date on which the change occurred.
- 74.3. An application for the purposes of paragraph 74.1. shall not be granted unless the appropriate relevant authority is satisfied that -
- 74.3.1. it is reasonable to grant the application;
  - 74.3.2. the change of circumstances notified by the applicant is relevant to the decision which is to be superseded; and
  - 74.3.3. special circumstances are relevant and as a result of those special circumstances it was not practicable for the applicant to notify the change of circumstances within one month of the change occurring.
- 74.4. In determining whether it is reasonable to grant the application, the appropriate authority shall have regard to the principle that the greater the amount of time that has elapsed between the date one month after the change of circumstances occurred and the date the application for a superseding decision is made, the more compelling should be the special circumstances on which the application is based.
- 74.5. In determining whether it is reasonable to grant an application, no account shall be taken of the following-
- 74.5.1. that the applicant was unaware of, or misunderstood, the law applicable to his case (including ignorance or misunderstanding of the time limits imposed by this scheme; or
  - 74.5.2. that the Upper Tribunal or a court has taken a different view of the law from that previously understood and applied.
- 74.6. An application under this regulation which has been refused may not be renewed.

## Part 10 – Claiming and the treatment of claims for Council Tax Reduction

### 75 Making an application

- 75.1. In the case of a couple or members of a polygamous marriage, an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines; or
- 75.2. Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and-
- 75.2.1. a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
- 75.2.2. in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or
- 75.2.3. an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise, that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.
- 75.3. Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and paragraph 75.2. does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under this scheme and to receive and deal on his behalf with any sums payable to him.
- 75.4. Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under paragraph 75.3.
- 75.5. Where the authority has made an appointment under paragraph 75.3. or treated a person as an appointee under paragraph 75.4. -
- 75.5.1. it may at any time revoke the appointment;
- 75.5.2. the person appointed may resign his office after having given 4 weeks' notice in writing to the authority of his intention to do so;
- 75.5.3. any such appointment must terminate when the authority is notified of the appointment of a person mentioned in paragraph 75.2.
- 75.6. Anything required by this scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in paragraph 7 5. 2. above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.

75.7. The authority must-

75.7.1. inform any person making an application of the duty imposed by paragraph 81;

75.7.2. explain the possible consequences (including prosecution) of failing to comply with that duty; and

75.7.3. set out the circumstances a change in which might affect entitlement to the reduction or its amount.

## **76 Procedure by which a person may apply for a reduction under this scheme**

76.1. Paragraphs 76.2. to 76.10. apply to an application for a reduction under this scheme

76.2. An application may be made-

76.2.1. in writing,

76.2.2. by means of an electronic communication in accordance with Part 12 of this scheme. This may include the Local Authorities own electronic application, a Department for Work and Pension Local Authority Input Document (LAID) or Local Authority Customer Information (LACI) where they declare an intention to claim a Council Tax Reduction, or a Universal Credit application notification from the Department for Works and Pensions, when the Local Authority is able to establish a liability for Council Tax. Or

76.2.3. where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

76.3. An application which is made in writing must be made to the designated office on a properly completed form, which must be provided free of charge by the authority for the purpose.

76.4. Where an application made in writing is defective because-

76.4.1. it was made on the form supplied for the purpose, but that form is not accepted by the authority as being properly completed; or

76.4.2. it was made in writing but not on the form supplied for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence, the authority may, in a case to which paragraph 78.4.1. applies, request the applicant to complete the defective application or, in the case to which paragraph 78.4.2. applies, supply the applicant with the approved form or request further information and evidence.

76.5 An application made on a form provided by the authority is properly completed if completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

76.6 If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.

76.7. An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

76.8. In a particular case the authority may determine that an application made by telephone is only valid if the person making the application approves a written statement of his circumstances provided by the authority.

76.9. If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.

76.10 An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

## **77 Date on which an application is made**

77.1. Subject to paragraph 77.7., the date on which an application is made is-

77.1.1. in a case where-

(i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance has been made to the applicant or his partner, and

(ii) the application is made within one month of the date on which the claim for that income support, jobseeker's allowance or employment and support allowance was received, the first day of entitlement to income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit arising from that claim;

77.1.2. in a case where-

(i) an award of universal credit has been made to the applicant or his partner, and

(ii) the application is made within 13 weeks of the date on which the claim for that universal credit was received,

the first day of entitlement to universal credit arising from that claim;

77.1.3. in a case where-

(i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,

(ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and

(iii) the application to the authority is received at the designated office within one month of the date of the change,

the date on which the change takes place;

77.1.4. in a case where-

(i) the applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under this scheme, and

(ii) where the applicant makes an application for a reduction under this scheme within one month of the date of the death or the separation,

the date of the death or separation;

77.1.5. except where paragraph 77.1.1., 77.1.2., 77.1.3 or 77.1.4. is satisfied, in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form or instructions on making an electronic claim were issued to the applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

77.1.6. in any other case, the date on which the application is received at the designated office.

77.2. For the purposes only of this paragraph, a person who has been awarded an income-based jobseeker's allowance, an income-related employment and support allowance or an award of universal credit is to be treated as entitled to that allowance for any "waiting days" which immediately precede the first day of that award.

77.3. Where the defect referred to in paragraph 76.10 (application by telephone)-

77.3.1. is corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;

77.3.2. is not corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide on the application.

77.4. The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in paragraph 77.5.1., 77.5.2. or 77.5.3. are satisfied.

77.5 The conditions are that-

77.5.1. where paragraph 76.4.1. applies, the authority receives at its designated office the properly completed application or the information requested to complete it or the evidence within one month of the request, or such longer period as the authority may consider reasonable; or

77.5.2. where paragraph 76.4.2. applies-

- (i) the approved form sent to the applicant is received at the designated office properly completed within one month of it having been sent to him; or, as the case may be,
- (ii) the applicant supplies whatever information or evidence was requested under paragraph 4 of that Schedule within one month of the request, or, in either case, within such longer period as the authority may consider reasonable; or

77.5.3. where the authority has requested further information, the authority receives at its designated office the properly completed application or the information requested to complete it within one month of the request or within such longer period as the authority considers reasonable.

77.6. Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under this scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the

authority is to treat the application as having been made on the day on which the liability for the tax arises.

77.7. Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under this scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of circumstances, he will be entitled to a reduction under this scheme for a period beginning not later than-

77.7.1. in the case of an application made by-

(i) a pensioner, or

(ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit, the seventeenth reduction week following the date on which the application is made, or

77.7.2. in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made, the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.

77.8. In this paragraph "appropriate DWP office" means an office of the Department for Work and Pensions dealing with state pension credit or an office which is normally open to the public for the receipt of claims for income support, a jobseeker's allowance or an employment and support allowance.

## **78 Back-dating of applications**

78.1. Where an applicant -

78.1.1 makes an application under this scheme which includes (or which he subsequently requests should include) a period before the application is made; and

78.1.2. from a day in that period, up to the date he made the application (or subsequently requested that the application should include a past period), the applicant had continuous good cause for failing to make an application (or request that the application should include that period), the application is to be treated as made on the date determined in accordance with paragraph 78.2.

78.2. That date is the latest of-

78.2.1. the first day from which the applicant had a financial need;

78.2.2. the day 1 calendar month before the date the application was made;

78.2.3. the day 1 calendar month before the date when the applicant requested that the application should include a past period.

## **79 Information and evidence**

79.1. Subject to paragraph 79.2., a person who makes an application, or a person to whom a reduction under this scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or

any question arising out of the application or the award, as may reasonably be required by the authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under this scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.

79.2. Nothing in this paragraph requires a person to furnish any certificates, documents, information or evidence relating to a payment to which paragraph 79.4. applies.

79.3. Where a request is made under paragraph 79.1., the authority must-

79.3.1. inform the applicant or the person to whom a reduction under this scheme has been awarded of his duty under paragraph 81 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and

79.3.2. without prejudice to the extent of the duty owed under paragraph 81, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which is to be notified.

79.4. This paragraph applies to any of the following payments-

79.4.1. a payment which is-

- (i) disregarded under paragraph 28 of Schedule 3 (sums disregarded in the calculation of income other than earnings) or paragraph 38 of Schedule 4 (capital disregards); or
- (ii) made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;

79.4.2. a payment which is disregarded under paragraph 16 of Schedule 3 (payments made under certain trusts and certain other payments), other than a payment under the Independent Living Fund (2006);

79.4.3. a payment which is disregarded under paragraph 31(9)(b) or (c) (payment made under certain trusts etc.) or paragraph 2(b) or (c) of Schedule 3 (payments made under certain trusts etc.) other than a payment under the Independent Living Fund (2006).

79.5. Where an applicant or a person to whom a reduction under this scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information-

79.5.1. the name and address of the pension fund holder;

79.5.2. such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

## **80 Amendment and withdrawal of application**

80.1. A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing, or an electronic notice, delivered or sent to the designated office.

80.2. Where the application was made by telephone in accordance with paragraph 76.2.3., the amendment may also be made by telephone.

- 80.3. Any application amended in accordance with paragraph 80.1. or 80.2. is to be treated as if it had been amended in the first instance.
- 80.4. A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.
- 80.5. Where the application was made by telephone in accordance p a r a g r a p h 76.2.3., the withdrawal may also be made by telephone.
- 80.6. Any notice of withdrawal given in accordance with paragraph 80.4. or 80.5. has effect when it is received.
- 80.7. Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

## **81 Duty to notify changes of circumstances**

- 81.1. Subject to paragraphs 81.3., 81.6. and 81.7, the applicant (or any person acting on his behalf) must comply with paragraph 81.2. if there is a relevant change of circumstances at any time-
- 81.1.1. between the making of an application and a decision being made on it, or
- 81.1.2. after the decision is made (where the decision is that the applicant is entitled to a reduction under this scheme) including at any time while the applicant is in receipt of such a reduction.
- 81.2. The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under this scheme (a "relevant change of circumstances") by giving notice to the authority-
- 81.2.1. in writing; or
- 81.2.2. by telephone-
- (i) where the authority has published a telephone number for that purpose or for the purposes of p a r a g r a p h 7 6. 2. 3. u less the authority determines that in any particular case or class of case notification may not be given by telephone; or
  - (ii) in any case or class of case where the authority determines that notice may be given by telephone; or
- 81.2.3. by any other means which the authority agrees to accept in any particular case, within a period of one calendar month beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.
- 81.3. The duty imposed on a person by paragraph 81.1. does not extend to notifying-
- 81.3.1. changes in the amount of council tax payable to the authority;
- 81.3.2. changes in the age of the applicant or that of any member of his family;

81.3.3. in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under this scheme to which he is entitled, other than the cessation of that entitlement to the benefit.

81.4. For the purposes of paragraph 81.3.3. "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.

81.5. Notwithstanding paragraph 81.3.2. or 81.3.3. an applicant is required by paragraph 81.1. to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.

## **Part 11 – Decisions, decision notices and awards of Council Tax Reduction**

### **82 Decisions by authority**

82.1 The authority must make a decision on an application for a reduction under this scheme within 14 days of paragraphs 75, 76, 78, 79 and/or 80 being satisfied, or as soon as reasonably practicable thereafter.

### **83 Notification of decision**

83.1. The authority must notify in writing any person affected by a decision made by it under this scheme-

83.1.1. in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;

83.1.2. in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

83.2. Where the decision is to award a reduction the notification under paragraph 83.1. must include a statement-

83.2.1. informing the person affected of the duty imposed by paragraph 81;

83.2.2. explaining the possible consequences (including prosecution) of failing to comply with that duty; and

83.2.3. setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

83.3. Where the decision is to award a reduction, the notification under paragraph 83.1. must include a statement as to how that entitlement is to be discharged, which may comprise a Council Tax Bill (Demand Notice) indicating the amount of the reduction.

83.4. In any case, the notification under paragraph 83.1. must inform the person affected of the procedure by which an appeal may be made and must refer the person to the provisions in this scheme relating to the procedure for making an appeal.

83.5. A person affected to whom the authority sends or delivers a notification of decision may, within one month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

83.6. The written statement referred to in paragraph 83.5. must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

83.7. For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under this scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within paragraph 83.8.

83.8. This sub-paragraph applies to-

83.8.1. the applicant;

83.8.2. in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act-

(i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or

(ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on the person's behalf; or

(iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

83.8.3. a person appointed by the authority under paragraph 75.

## **84 Procedure by which a person may make an appeal against certain decisions of the authority**

84.1. A person who is aggrieved by a decision of the authority which affects—

84.1.1. the person's entitlement to a reduction under this scheme, or

84.1.2. the amount of any reduction under this scheme,  
may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.

84.2. The authority must—

84.2.1. consider the matter to which the notice relates;

84.2.2. notify the aggrieved person in writing—

(i) that the ground is not well founded, giving reasons for that belief; or

(ii) that steps have been taken to deal with the grievance, stating the steps taken.

84.3. Where, following notification under paragraph 84.2.1. or 84.2.2., the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with paragraph 84.2.2. within two months of the service of his notice, he may appeal to a valuation tribunal under section 16 of the 1992 Act.

## **85 Payment where there is joint and several liability**

85.1. Where-

85.1.1. a person is entitled to a reduction under this scheme in respect of his liability for the authority's council tax as it has effect in respect of a financial year;

85.1.2. the person entitled to the reduction is jointly and severally liable for the council tax; and

85.1.3. the authority determines that discharging his entitlement by reducing the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers would be inappropriate,

it may make a payment to him of the amount of reduction to which he is entitled.

85.2. Subject to paragraph 86.3., any payment made under paragraph 86.1. must be made to the person who is entitled to the reduction.

85.3. Where a person other than the person who is entitled to the reduction under this scheme made the application for the reduction and that first person is a person acting pursuant to an appointment under paragraph 75.2. or is treated as having been so appointed by virtue of paragraph 75.4., the amount of the reduction may be paid to that person.

## **Part 12 – Electronic Communication**

### **86 Interpretation – Electronic Communication**

86.1. In this Part-

“**information**” includes an application, certificate, notice or other evidence;

“**official computer system**” means a computer system maintained by or on behalf of the authority for the sending, receiving, processing or storing of any information.

### **87 Conditions for the use of electronic communication**

87.1. The authority may use an electronic communication in connection with applications for, and awards of, reductions under this scheme.

87.2. A person other than the authority may use an electronic communication in connection with the matters referred to in paragraph 88.1. if the conditions specified in paragraphs 88.3. to 88.6. are satisfied.

87.3. The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.

87.4. The second condition is that the person uses an approved method of-

87.4.1. authenticating the identity of the sender of the communication;

87.4.2. electronic communication;

87.4.3. authenticating any application or notice delivered by means of an electronic communication; and

87.4.4. subject to paragraph 89.7., submitting to the authority any information.

87.5. The third condition is that any information sent by means of an electronic communication is in a form supplied for the purposes of this scheme.

87.6. The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.

87.7. Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.

87.8. In this paragraph “approved” means approved by means of a direction given by the Chief Executive of the authority for the purposes of this scheme.

### **88 Use of intermediaries**

88.1. The authority may use intermediaries in connection with-

88.1.1. the delivery of any information by means of an electronic communication; and

88.1.2. the authentication or security of anything transmitted by such means and may require other persons to use intermediaries in connection with those matters.

## **89 Effect of delivering information by means of electronic communication**

89.1. Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of this scheme, on the day the conditions imposed-

89.1.1. by this scheme; and

89.1.2. by or under an enactment, are satisfied.

89.2. The authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in paragraph 90.1.

89.3. Information must not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

## **90 Proof of identity of sender or recipient of information**

90.1. If it is necessary to prove, for the purpose of any legal proceedings, the identity of-

90.1.1. the sender of any information delivered by means of an electronic communication to an official computer system; or

90.1.2. the recipient of any such information delivered by means of an electronic communication from an official computer system,  
the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

## **91 Proof of delivery of information**

91.1. If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this must be presumed to have been the case where-

91.1.1. any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or

91.1.2. any such information has been delivered by the relevant authority if the delivery of that information has been recorded on an official computer system.

91.2. If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this must be presumed not to be the case, if that information delivered to the relevant authority has not been recorded on an official computer system.

91.3. If it is necessary to prove, for the purpose of any legal proceedings, when any such information sent by means of an electronic communication has been received, the time and date of receipt must be presumed to be that recorded on an official computer system.

## **92 Proof of content of information**

92.1. If it is necessary to prove, for the purpose of any legal proceedings, the content of any information sent by means of an electronic communication, the content must be presumed to be that recorded on an official computer system.

## **93 Future changes to the Housing Benefit and/or Pension Age CTR Scheme**

93.1. All future statutory changes to the Housing Benefit Scheme and/or the Pension Age Council Tax Reduction Scheme that are capable of being implemented in the Working Age Council Tax Reduction Scheme will be implemented in this scheme:

- a. From the beginning of the financial year following their implementation in the Housing Benefit Scheme and/or the Pension Age Council Tax Reduction Scheme, or
- b. Where such statutory changes take effect from the beginning of the financial year, from that same date.

## **94 Future changes to the Working Age CTR Scheme - Income Bands and Contribution Rates**

94.1. The Scheme shall be reviewed annually and, where appropriate, the Income Bands and Contribution Rates will be amended to allow for the level of support provided to be maintained.

## SCHEDULE 1 - Applicable amounts (for all but Class F persons)

### Part 1 - Personal allowances (Paragraph 12)

1. The amounts specified in column (2) below in respect of each person or couple specified in column (1) are the amounts specified for the purposes of paragraphs 12 and 17 -

Person or couple (1)	Amount (2)
(1) A single applicant who-	
(a) is entitled to main phase employment and support allowance;	£90.50
(b) is aged not less than 25;	£90.50
(c) is aged not less than 18 but less than 25.	£71.70
(2) Lone parent.	£90.50
(3) Couple.	£142.25

2. For the purposes of paragraph 1 an applicant is entitled to main phase employment and support allowance if-
- paragraph 18 is satisfied in relation to the applicant; or
  - the applicant is entitled to a converted employment and support allowance.
3. (1) The amounts specified in column (2) below in respect of each person specified in column (1) are, for the relevant period specified in column (1), the amounts specified for the purposes of paragraph 12 and 13-

Child or Young person (1)	Amount (2)
Person in respect of the period-	
(a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	£83.24
(c) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	£83.24

(2) In column (1) of the table in sub-paragraph (1), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

## Part 2 – Premiums

- 4.(1) In respect of a reduction week which begins on any date prior to 1<sup>st</sup> April 2018, the amount for the purposes of paragraph 12 in respect of a family of which at least one member is a child or young person is £19.15.
- (2) In respect of a reduction week which begins on any date on or after 1<sup>st</sup> April 2018:-
- (i) Where the claim is a new claim with an effective date of claim on or after 1<sup>st</sup> April 2018, the amount for the purposes of paragraphs 12 in respect of a family of which at least one member is a child or young person is nil;
  - (ii) Where the claim has an effective date of claim prior to 1<sup>st</sup> April 2018, the amount for the purposes of paragraph 12 in respect of a family of which at least one member is a child or young person is £19.15
5. Except as provided in paragraph 6, the premiums specified in Part 4 are, for the purposes of paragraph 12 (Applicable Amount) applicable to an applicant who satisfies the condition specified in paragraphs 9 to 14 in respect of that premium.
6. Subject to paragraph 7, where an applicant satisfies the conditions in respect of more than one premium in this Part of this Schedule, only one premium is applicable to him and, if they are different amounts, the higher or highest amount applies.
7. The following premiums, namely-
- (a) a severe disability premium to which paragraph 11 applies;
  - (b) an enhanced disability premium to which paragraph 12 applies;
  - (c) a disabled child premium to which paragraph 13 applies; and
  - (d) a carer premium to which paragraph 14 applies,
- may be applicable in addition to any other premium which may apply under this Schedule.
8. (1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for-
- (a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and
  - (b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the Employment and Training Act 1973 or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990 for any period during which he is in receipt of a training allowance.
- (2) For the purposes of the carer premium under paragraph 14, a person is to be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA or the daily living component of personal independence payment payable under Part 4 of the Welfare Reform Act 2012.

### **Disability premium**

9. The conditions to be met are as in Schedule 3(12) of The Housing Benefit Regulations 2006

### **Additional condition for the disability premium**

10. The conditions to be met are as in Schedule 3(13) of The Housing Benefit Regulations 2006 **Severe disability premium**

11. The conditions to be met are as in Schedule 3(14) of The Housing Benefit Regulations 2006 **Enhanced disability premium**

12. The conditions to be met are as in Schedule 3(15) of The Housing Benefit Regulations 2006 **Disabled child premium**

13. The conditions to be met are as in Schedule 3(16) of The Housing Benefit Regulations 2006 **Carer premium**

14. The conditions to be met are as in Schedule 3(17) of The Housing Benefit Regulations 2006 **Persons in receipt of concessionary payments**

15. For the purpose of determining whether a premium is applicable to a person under paragraphs 10 to 14, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

### **Persons in receipt of benefit for another**

16. For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and is to be so regarded only for any period in respect of which that benefit is paid.

**Part 3 - Amounts of Premiums (for all but Class F persons)**

**17. For the purposes of this Schedule the following amounts shall apply**

<b>Premium</b>	<b>Amount</b>
(1) Disability Premium	(1)
(a) where the applicant satisfies the condition in paragraph 12(a) of Schedule 3 of the Housing Benefit Regulations 2006.;	(a) £42.50
(b) where the applicant satisfies the condition in paragraph 12(a) of Schedule 3 of the Housing Benefit Regulations 2006	(b) £60.60
(2) Severe Disability Premium	(2)
(a) where the applicant satisfies the condition in paragraph 14(2)(a) of Schedule 3 of the Housing Benefit Regulations 2006;	(a) £81.50
(b) where the applicant satisfies the condition in paragraph 14(2)(b) of Schedule 3 of the Housing Benefit Regulations 2006	(b) £163.00
(i) in a case where there is someone in receipt of a carer's allowance or if he or any partner satisfies that condition only by virtue of paragraph 14(5);	(b)(i) £81.50
(ii) in a case where there is no-one in receipt of such an allowance.	(b)(ii) £163.00
(3) Disabled Child Premium	(3)
in respect of each child or young person in respect of whom the condition specified in paragraph 16 of Schedule 3 of The Housing Benefit Regulations 2006 is satisfied.	£80.01

<b>Premium</b>	<b>Amount</b>
(4) Carer Premium	(4)
in respect of each person who satisfies the condition specified in Paragraph 17 of Schedule 3 of The Housing Benefit Regulations 2006 is satisfied.	£45.60
(5) Enhanced Disability Premium	(5)
(a) in respect of each child or young person in respect of whom the conditions specified in paragraph 15 of Schedule 3 of The Housing Benefit 2006 Regulations are satisfied.	(a) £32.20
(b) in respect of each person who is neither – a child or young person; nor a member of a couple or a polygamous marriage.	(b) £20.85
(c) where the applicant is a member of a couple or a polygamous marriage and the conditions specified in paragraph 15 of Schedule 3 of The Housing Benefit Regulations 2006 are satisfied in respect of a member of that couple or polygamous marriage.	(c) £29.75

#### **Part 4 - The component**

18. The conditions to be met are contained in paragraphs 21-24 of Schedule 3 of The Housing Benefit Regulations 2006.

## **Part 5 - Amount of Components**

19. The amount of the work-related activity component is £35.95
20. The amount of the support component is £47.70

## **Part 6 - Transitional Addition**

**21.** The applicant is entitled to the transitional addition calculated in accordance with paragraph 30 of Schedule 3 of The Housing Benefit Regulations 2006 where the applicant or the applicant's partner meets the conditions contained within paragraphs 27 to 29 of Schedule 3 of The Housing Benefit Regulations 2006.

## **Part 7 - Amount of Transitional Addition**

- 22.** The amount of any transitional addition is calculated in accordance with paragraphs 30 and 31 of Schedule 3 of The Housing Benefit Regulations 2006

## **SCHEDULE 2 - Sums disregarded in the calculation of earnings (for all but Class F persons)**

1. In the case of an applicant who has been engaged in remunerative work as an employed earner or, had the employment been in Great Britain, would have been so engaged-
  - (a) where-
    - (i) the employment has been terminated because of retirement;  
and
    - (ii) on retirement he is entitled to a retirement pension under the Act, or is not so entitled solely because of his failure to satisfy the contribution conditions, any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;
  - (b) where before the first day of entitlement to a reduction under this scheme the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except-
    - (i) any payment of the nature described in-
      - (aa) paragraph 26.1.5, or
      - (bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and
    - (ii) any award, sum or payment of the nature described in-
      - (aa) paragraph 26.1.7, or
      - (bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals), including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;
  - (c) where before the first day of entitlement to a reduction under this scheme-
    - (i) the employment has not been terminated, but
    - (ii) the applicant is not engaged in remunerative work,  
any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph (b)(i) or (ii)(bb) or paragraph 26.1.10.
2. In the case of an applicant who, before the first day of entitlement to a reduction under this scheme-
  - (a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and
  - (b) has ceased to be engaged in that employment, whether or not that employment has been terminated, any earnings paid or due to be paid in respect of that employment except- where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb);

(c) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 26.1.10.

3. In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain, would have been so engaged and who has ceased to be so employed, from the date of the cessation of his employment, any earnings derived from that employment except earnings to which paragraph 28 apply.

4. (1) In a case to which this paragraph applies and paragraph 5 does not apply, £20; but notwithstanding part 5 if this paragraph applies to an applicant it does not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £20.

(2) This paragraph applies where the applicant's applicable amount includes an amount by way of the disability premium, severe disability premium, work-related activity component or support component under Schedule 1 (applicable amounts).

(3) This paragraph applies where-

(a) the applicant is a member of a couple and his applicable amount includes an amount by way of the disability premium under Schedule 1; and

(b) he or his partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.

5. In a case where the applicant is a lone parent, £25.

6. (1) In a case to which neither paragraph 4 nor paragraph 5 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium under Schedule 1 (applicable amounts), £20 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with paragraph 17 of Schedule 3 of The Housing Benefit Regulations 2006 as being in receipt of carer's allowance.

(2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.

7. Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £20, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment-

(a) specified in paragraph 9(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 6 exceed £20;

b) other than one specified in paragraph 9(1), so much of the other member's earnings from such other employment up to £10 as would not when aggregated with the amount disregarded under paragraph 5 exceed £20.

8. In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £10; but, notwithstanding Part 5, if this paragraph applies to an applicant it must not apply to his partner except where, and to the

extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £10.

- 9.** (1) In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant, £20 of earnings derived from one or more employments as-
- (a) a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;
  - (b) a part-time fire-fighter employed by the Scottish Fire & Rescue Service established under section 1A of the Fire (Scotland) Act 2005;
  - (c) an auxiliary coastguard in respect of coast rescue activities;
  - (d) a person engaged part-time in the manning or launching of a lifeboat;
  - (e) a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001;
- but, notwithstanding part 5, if this paragraph applies to an applicant it must not apply to his partner except to the extent specified in sub-paragraph (2).
- (2) If the applicant's partner is engaged in employment-
- (a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £20;
  - (b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £10 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £20.
- 10.** Where the applicant is engaged in one or more employments specified in paragraph 9(1), but his earnings derived from such employments are less than £20 in any week and he is also engaged in any other employment, so much of his earnings from that other employment, up to £5 if he is a single applicant, or up to £10 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 9 exceed £20.
- 11.** In a case to which none of the paragraphs 4 to 10 applies, £5.
- 12.** (1) Where-
- (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
  - (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
  - (c) paragraph 14 does not apply,
- the amount specified in sub-paragraph (7) ("the specified amount").

(2) Where this paragraph applies, paragraphs 4 to 11 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 5, then paragraph 5 applies instead of this paragraph.

(3) Notwithstanding part 5 if sub-paragraph (1) applies to one member of a couple ("A") it does not apply to the other member of that couple ("B") except to the extent provided in sub-paragraph (4).

(4) Where A's earnings are less than the specified amount, there must also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this subparagraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.

(5) This sub-paragraph applies to a person who is-

(a) in receipt of a contributory employment and support allowance;

(b) in receipt of incapacity benefit;

(c) in receipt of severe disablement allowance; or

(d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.

(6) "Exempt work" means work of the kind described in

(a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008; or (as the case may be)

(b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995, and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

13. Any amount or the balance of any amount which would fall to be disregarded under paragraph 23 or 24 of Schedule 3 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.
14. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, his earnings.
15. Any earnings derived from employment which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.
16. Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting that payment into Sterling.

17. Any earnings of a child or young person.
18. (1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 4 to 12 must be increased by £17.10.
- (2) The conditions of this sub-paragraph are that-
- (a) the applicant, or if he is a member of a couple, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 applies; or
- (b) the applicant-
- (i) is, or if he is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or
- (ii) is a member of a couple and-
- (aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and
- (bb) his family includes at least one child or young person; or
- (iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or (iv) is, or if he is a member of a couple, at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and-
- (aa) the applicant's applicable amount includes a disability premium under paragraph 9, the work-related activity component under paragraph 21 or the support component under paragraph 22 of Schedule 1 respectively;
- (bb) where he is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or either of the components referred to in paragraph (aa) above and is engaged in remunerative work for on average not less than 16 hours per week; or
- (c) the applicant is, or if he has a partner, one of them is, a person to whom regulation 18(3) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (eligibility for 50 plus element) applies, or would apply if an application for working tax credit were to be made in his case.
- (3) The following are the amounts referred to in sub-paragraph (1) -
- (a) the amount calculated as disregardable from the applicant's earnings under paragraphs 4 to 12;
- (b) the amount of childcare charges calculated as deductible under paragraph 57(1); and
- (c) £17.10.
- (4) The provisions of paragraph 6 (remunerative work) apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in sub-paragraph (1) of that paragraph were a reference to 30 hours.
19. In this Schedule "part-time employment" means employment in which the person is engaged

on average for less than 16 hours a week.

### **SCHEDULE 3 - Sums disregarded in the calculation of income other than earnings (for all but Class F persons)**

1. Any payment made to the applicant in respect of any childcare, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Pilot Scheme.
2. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme.
4. Any amount paid by way of tax on income which is to be taken into account under regulation 22 (calculation of income other than earnings).
5. Any payment in respect of any expenses incurred or to be incurred by an applicant who is-
  - (a) engaged by a charitable or voluntary organisation, or
  - (b) a volunteer,if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under paragraph 33 (notional income).
6. Any payment in respect of expenses arising out of the applicant participating as a service user.
7. In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.
8. Where an applicant is on income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit with no income or earnings recorded in the award notice, the whole of his income.
9. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker's allowance, the whole of the applicant's income.
10. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.
11. Any disability living allowance, personal independence payment or an AFIP.
12. Any concessionary payment made to compensate for the non-payment of-
  - (a) any payment specified in paragraph 11 or 14;
  - (b) income support;

(c) an income-based jobseeker's allowance;

(d) an income-related employment and support allowance.

**13.** Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non- payment of such a supplement.

**14.** Any attendance allowance.

**15.** Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.

**16.(1)** Any payment-

(a) by way of an education maintenance allowance made pursuant to-

(i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc.);

(ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);

(iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;

(b) corresponding to such an education maintenance allowance, made pursuant to-

(i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and the Welsh Ministers to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or

(ii) regulations made under section 181 of that Act; or

(c) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

**(2)** Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to-

(a) regulations made under section 518 of the Education Act 1996;

(b) regulations made under section 49 of the Education (Scotland) Act 1980; or

(c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

**17. (1)** A scheme must include provision that any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining— (a) an applicant's entitlement to a reduction under the scheme; or (b) the amount of any reduction to which the applicant is entitled.

(2) In this regulation— “the Homes for Ukraine scheme” means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022(b).”.

- 18.** Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.
- 19.** (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment-
- (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
  - (b) of an allowance referred to in section 2(3) of the Employment and Training Act 1973 or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
  - (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.
- (2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- 20.** (1) Subject to sub-paragraph (2), any of the following payments-
- (a) a charitable payment;
  - (b) a voluntary payment;
  - (c) a payment (not falling within paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
  - (d) a payment under an annuity purchased-
    - (i) pursuant to any agreement or court order to make payments to the applicant; or
    - (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or
  - (e) a payment (not falling within paragraphs (a) to (d)) received by virtue of any agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.
- (2) Sub-paragraph (1) does not apply to a payment which is made or due to be made by-
- (a) a former partner of the applicant, or a former partner of any member of the applicant's family; or
  - (b) the parent of a child or young person where that child or young person is a member of the applicant's family.

**21.** (1) £10 of any of the following, namely-

- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 13 or 14);
- (b) a war widow's pension or war widower's pension;
- (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of His Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
- (d) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 31(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;
- (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub- paragraphs;
- (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in paragraphs (a) to (d) above;
- (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

**22.** £15 of any-

- (a) widowed mother's allowance paid pursuant to section 37 of the SSCBA;
- (b) widowed parent's allowance paid pursuant to section 39A of the SSCBA.

**23.** (1) Any income derived from capital to which the applicant is or is treated under paragraph 70 (capital jointly held) as beneficially entitled but, subject to sub- paragraph (2), not income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17 or 30 to 33 of Schedule 4.

(2) Income derived from capital disregarded under paragraphs 5, 7 or 30 to 33 of Schedule 4 but only to the extent of-

- (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
  - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.
- (3) The definition of ““water charges”” in paragraph 2(1) (interpretation) applies to subparagraph (2) of this paragraph with the omission of the words ““in so far as such charges are in respect of the dwelling which a person occupies as his home””.

**24.** Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating-

- (a) under, or pursuant to regulations made under powers conferred by, section 22 of the Teaching and Higher Education Act 1998, that student's award;
  - (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or
  - (c) the student's student loan, an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.
- 25.** (1) Where the applicant is the parent of a student aged under 25 in advanced education who either-
- (a) is not in receipt of any award, grant or student loan in respect of that education; or
  - (b) is in receipt of an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,
- and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 23, an amount specified in sub-paragraph (2) in respect of each week during the student's term.
- (2) For the purposes of sub-paragraph (1), the amount must be equal to-
- (a) the weekly amount of the payments; or
  - (b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),
- whichever is less.
- 26.** Any victims' payment under the Victims' Payments Regulations 2020(13).
- 27.** Any payment made to the applicant by a child or young person or a non-dependant.
- 28.** Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 25 or 27 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family-
- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
  - (b) where the aggregate of any such payments is £20 or more per week, £20.
- 29.** Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to-

- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20, 100 per cent of such payments;
  - (b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent of the excess over £20.
- 30.** (1) Any income in kind, except where provision of support under section 95 or 98 of the Immigration and Asylum Act 1999 in the calculation of income other than earnings applies.
- (2) The reference in sub-paragraph (1) to ““income in kind”” does not include a payment to a third party made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.
- 31.** Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.
- 32.** (1) Any payment made to the applicant in respect of a person who is a member of his family-
- (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978 (schemes for payments of allowances to adopters) or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes);
  - (b) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
  - (c) which is a payment made by an authority, as defined in Article 2 of the Children (Northern Ireland) Order 1995, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance);
  - (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services);
- (2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 33.** Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made-
- (a) by a local authority under-
    - (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
    - (ii) section 26 or 26A of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
    - (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
  - (b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).

**34.** Any payment made to the applicant or his partner for a person (“the person concerned”), who is not normally a member of the applicant's household but is temporarily in his care, by-

- (a) a health authority;
- (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
- (c) a voluntary organisation;
- (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
- (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006;
- (f) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006.
- (g) the persons concerned where the payment is for the provision of accommodation to meet that person's needs for care and support under section 35 or 36 of the Social Services and Well-being (Wales) Act 2014 (respectively, duty and power to meet care and support needs of an adult));
- (h) any payment or part of a payment made by a local authority in accordance with section 26A of the Children (Scotland) Act 1995 (duty to provide continuing care) to a person (“A”) which A passes on to the applicant where A—
  - (i) was formerly in the applicant's care;
  - (ii) is aged 16 or over; and
- (i) (iii) continues to live with the applicant;
- (j) Any payments made to an applicant under section 73(1)(b) of the Children and Young People (Scotland) Act 2014 (kinship care assistance: further provisions)

**35.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

**36.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person (“A”) which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A-

- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

- 37.** (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments-
- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
  - (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.
- (2) A payment referred to in sub-paragraph (1) is only to be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to-
- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (1)(b); and
  - (b) meet any amount due by way of premiums on-
    - (i) that policy; or
    - (ii) in a case to which sub-paragraph (1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).
- 38.** Any payment of income which by virtue of paragraph 36 (income treated as capital) is to be treated as capital.
- 39.** Any Social Fund payment made pursuant to Part 8 of the SSCBA or any local welfare fund provision.
- 40.** Any payment under Part 10 of the SSCBA (Christmas bonus for pensioners).
- 41.** Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 42.** The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 15) (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 48 (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 51 (treatment of student loans), paragraph 52) (treatment of payments from access funds) and paragraphs 20 and 21 must in no case exceed £20 per week.
- 43.** (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of-
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;

- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
  - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which subparagraph (1) refers and which is made to or for the benefit of-
- (a) the person who is suffering from haemophilia or who is a qualifying person;
  - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
  - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which subparagraph (1) refers, where-
- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
  - (b) the payment is made either-
    - (i) to that person's parent or stepparent, or
    - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his education and has no parent or step-parent, to his guardian, but only for a period from the date of the payment until the end of two years from that person's death.
- (5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which subparagraph (1) refers, where-
- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and
  - (b) the payment is made either-
    - (i) to that person's parent or stepparent, or
    - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian, but only for a period of two years from the relevant date.

- (6) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.
- (7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts is to be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.
- 44.** Any housing benefit.
- 45.** Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
- 46.** Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.
- 47.** Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act (reduction of liability for council tax).
- 48.** (1) Any payment or repayment made-
- (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
  - (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
  - (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).
- (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers which is analogous to a payment or repayment mentioned in sub-paragraph (1).
- 49.** Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).
- 50.** Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.
- 51.** (1) Where an applicant's family includes at least one child or young person, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.

(2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments must be aggregated and treated as if they were a single payment.

(3) A payment made by the Secretary of State in lieu of maintenance must, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).

**52.** (1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner.

(2) In sub-paragraph (1) -

“child maintenance” means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under-

(a) the Child Support Act 1991;

(b) the Child Support (Northern Ireland) Order 1991;

(c) a court order;

(d) a consent order;

(e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;

“liable relative” means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.

**53.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.

**54.** Any guardian's allowance.

**55.** (1) If the applicant is in receipt of any benefit under Part 2, 3 or 5 of the SSCBA, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of that Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

(2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

**56.** Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.

- 57.** In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.
- 58.** (1) Any payment which is-
- (a) made under any of the Dispensing Instruments to a widow, widower or surviving civil partner of a person-
    - (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
    - (ii) whose service in such capacity terminated before 31st March 1973; and  - (b) equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.
- (2) In this paragraph “the Dispensing Instruments” means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).
- 59.** Any council tax benefit to which the applicant is entitled.
- 60.** Except in a case which falls under sub-paragraph (1) of paragraph 18 of Schedule 3, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10.
- 61.** Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
- 62.** (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person-
- (a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;
  - (b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity,
- in respect of which such assistance is or was received.
- (2) Sub-paragraph (1) applies only in respect of payments which are paid to that person from the special account.
- 63.** (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
- (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

(3) For the purposes of sub-paragraph (2) “food” does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

**64.** Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.

**65.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.

**66.** Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001, as amended by the Welfare Reform Act 2012 (consequential amendments) Regulation 2013

**67.** (1) Any payment made by a local authority or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) ““local authority”” includes, in England, a county council

**68.** Any payment of child benefit.

#### **SCHEDULE 4 - Capital disregards (for all but Class F persons)**

1. Any payment made to the applicant in respect of any childcare, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Scheme but only for 52 weeks beginning with the date of receipt of the payment
2. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.
3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme but only for 52 weeks beginning with the date of receipt of the payment.
4. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, but, notwithstanding paragraph 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), only one dwelling is to be disregarded under this paragraph.
5. Any premises acquired for occupation by the applicant which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.
6. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.
7. Any premises occupied in whole or in part-
  - (a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
  - (b) by the former partner of the applicant as his home; but this provision does not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.
8. Where an applicant is on income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit with no income or earnings recorded in the award notice, the whole of his capital.
9. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.
10. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.
11. (1) The assets of any business owned in whole or in part by the applicant and for the

purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

(2) The assets of any business owned in whole or in part by the applicant where-

(a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but

(b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business, for a period of 26 weeks from the date on which the application for a reduction under this scheme is made, or is treated as made, or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

(3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.

(4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

**12.** (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of-

(a) any payment specified in paragraphs 11, 13 or 14 of Schedule 3;

(b) an income-related benefit under Part 7 of the SSCBA;

(c) an income-based jobseeker's allowance;

(d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;

(e) working tax credit and child tax credit; or

(f) universal credit

(g) bereavement support payment under section 30 of the Pensions Act 2014(10).” where entitlement is for a period before 09.02.2023 and in respect of any period ending with the day before the survivor makes a claim.

(h) Widowed Parent’s Allowance made pursuant to section 39A of the SSCBA where entitlement is for a period before 09.02.2023 and in respect of any period ending with the day before the survivor makes a claim.

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as “**the relevant sum**” ) and is-

(a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001; and

(b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) has effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the period of an award of a reduction under this scheme, for the remainder of that period if that is a longer period.

(3) For the purposes of sub-paragraph (2), “**the period of an award of a reduction under this scheme**” means

(a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and

(b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the applicant-

(i) is the person who received the relevant sum; or

(ii) is the partner of the person who received the relevant sum or was that person's partner at the date of his death.

**13.** Any sum-

(a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or

(b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home,

which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

**14.** Any sum –

(a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 as a condition of occupying the home;

(b) which was so deposited, and which is to be used for the purchase of another home,

for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.

**15.** Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to a reduction under this scheme or to increase the amount of that reduction.

16. The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
17. Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
18. (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.  
(2) But sub-paragraph (1)-
  - (a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;
  - (b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);
  - (c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;
  - (d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.

(3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.

(4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).
19. The value of the right to receive any income under a life interest or from a life rent.
20. The value of the right to receive any income which is disregarded under paragraph 15 of Schedule 3 or paragraph 29 of Schedule 4
21. The surrender value of any policy of life insurance.
22. Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
23. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
24. (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ("A") which A passes on to the applicant.

- (2) Sub-paragraph (1) applies only where A-
- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

**25. Any**

- (a) social fund payment made pursuant to Part 8 of the SSCBA; or
- (b) local welfare assistance.

**26.** Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.

**27.** Any capital which by virtue of paragraph 32 or 51 (capital treated as income: or treatment of student loans) is to be treated as income.

**28.** Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.

**29.** (1) Any payment made under or by 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 Grenfell Tower support payment, an historical child abuse payment, a Windrush payment, a Post Office compensation payment or a vaccine damage payment; the London Bombings Relief Charitable Fund, The National Emergencies Trust, the Victims of Overseas Terrorism Compensation Scheme;

(2) Any Post Office compensation payment.

(3) Any vaccine damage payment.

(4) Any payment out of the estate of a person, which derives from a payment to meet the recommendation of the Infected Blood Inquiry in its interim report published on 29th July 2022 made under or by the Scottish Infected Blood Support Scheme or an approved blood support scheme to the estate of the person, where the payment is made to the person's son, daughter, step-son or step-daughter.

(5) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts, or a Grenfell Tower support payment, a historical child abuse payment, a Windrush payment, a Post Office compensation payment or a vaccine damage payment", to which sub-paragraph (1) refers and which is made to or for the benefit of-

(a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;

(b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(6) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person which derives from a payment made under or by any of the Trusts, or a Grenfell Tower support payment a historical child abuse payment a Windrush payment, a Post Office compensation payment or a vaccine damage payment;" to which sub- paragraph (1) refers and which is made to or for the benefit of-

(a) the person who is suffering from haemophilia or who is a qualifying person;

(b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(7) Sub-paragraph (6) does not apply if-

(a) the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced, or

(b) where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death.

(8) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts, or a Grenfell Tower support payment a historical child abuse payment, a Windrush payment, a Post Office compensation payment, or a vaccine damage payment to which subparagraph (1) refers, where-

(a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and

(b) the payment is made either-

(i) to that person's parent or stepparent; or

(ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or stepparent, to his guardian, but only for a period from the date of the payment until the end of two years from that person's death.

(9) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts, or a Grenfell Tower support payment a historical child abuse payment, a Windrush payment, a Post Office compensation payment or a vaccine damage payment to which sub-paragraph (1) refers, where-

(a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was or had been a member of his family; and

(b) the payment is made either-

(i) to that person's parent or stepparent; or

(ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or stepparent, to his guardian,

but only for a period of two years from the relevant date.

(10) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any capital resource which derives from -

(a) any payment of income or capital made under or deriving from any of the Trusts;

or (b) a Grenfell Tower support payment.

For the purposes of sub-paragraphs (5) to (8), any reference to 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 Grenfell Tower support payment, an historical child abuse payment, a Windrush payment, a Post Office compensation payment or a vaccine damage payment; the London Bombings Relief Charitable Fund, The National Emergencies Trust, the Victims of Overseas Terrorism Compensation Scheme;

(11) Any payment made under, or by, a trust which is approved by the Secretary of State and which is established for the purpose of giving relief and assistance to a disabled person whose disabilities were caused by their mother having taken a preparation containing the drug known as Thalidomide during her pregnancy.

30. (1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

(2) In this paragraph "dwelling" includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.

31. Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

32. Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

33. Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.
34. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
35. The value of the right to receive an occupational or personal pension.
36. The value of any funds held under a personal pension scheme.
37. The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.
38. Any payment in kind made by a charity or under or by the Trusts is to be construed as including a reference to Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation, the London Bombings Relief Charitable Fund, the We Love Manchester Emergency Fund (WLMEF) or the London Emergencies Trust (LET).
39. Any payment made pursuant to section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.
40. Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
41. Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used-
  - (a) to purchase premises intended for occupation as his home; or
  - (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,

for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.
42. Any arrears of supplementary pension which is disregarded under paragraph 54 of Schedule 4 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 55 or 56 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.
43. (1) Any payment or repayment made-
  - (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);

(b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);

(c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),

but only for a period of 52 weeks from the date of receipt of the payment or repayment.

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers which is analogous to a payment or repayment mentioned in sub-paragraph (1), but only for a period of 52 weeks from the date of receipt of the payment or repayment.

- 44.** Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.
- 45.** Any payment made under Part 8A of the SSCBA (entitlement to health in pregnancy grant).
- 46.** Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.
- 47.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
- 48.** Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958. to homeworkers assisted under the Blind Homeworkers' Scheme.
- 49.** (1) Subject to sub-paragraph (2), where an applicant falls within class F (alternative maximum council reduction: persons who are not pensioners), the whole of his capital.
- (2) Sub-paragraph (1) does not apply where an applicant falls within class E and class F.
- 50.** (1) Any sum of capital to which sub-paragraph (2) applies and-
- (a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 or by the Court of Protection;
- (b) which can only be disposed of by order or direction of any such court; or
- (c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.
- (2) This sub-paragraph applies to a sum of capital which is derived from-

- (a) an award of damages for a personal injury to that person; or
  - (b) compensation for the death of one or both parents where the person concerned is under the age of 18.
- 51.** Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from-
- (a) award of damages for a personal injury to that person; or
  - (b) compensation for the death of one or both parents where the person concerned is under the age of 18.
- 52.** Any payment to the applicant as holder of the Victoria Cross or George Cross.
- 53.** In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.
- 54.** (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
- (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- (3) For the purposes of sub-paragraph (2) "food" does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
- 55.** (1) Any payment-
- (a) by way of an education maintenance allowance made pursuant to-
    - (i) regulations made under section 518 of the Education Act 1996;
    - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;
    - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
  - (b) corresponding to such an education maintenance allowance, made pursuant to-
    - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and the Welsh Ministers to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
    - (ii) regulations made under section 181 of that Act; or
  - (c) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

(2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to-

(a) regulations made under section 518 of the Education Act 1996;

(b) regulations made under section 49 of the Education (Scotland) Act 1980; or

(c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

- 56.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.
- 57.** Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.
- 58.** Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or internment of-
- (a) the applicant;
  - (b) the applicant's partner;
  - (c) the applicant's deceased spouse or deceased civil partner; or
  - (d) the applicant's partner's deceased spouse or deceased civil partner, by the Japanese during the Second World War, £10,000.
- 59.** (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is-
- (a) a diagnosed person;
  - (b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
  - (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
  - (d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.
- (2) Where a trust payment is made to-
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;

(b) a person referred to in sub-paragraph (1)(c), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending two years after that date;

(c) a person referred to in sub-paragraph (1)(d), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending-

- (i) two years after that date; or
- (ii) on the day before the day on which that person-
  - (aa) ceases receiving full-time education; or
  - (bb) attains the age of 20,

whichever is the latest.

(3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is-

- (a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
- (b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
- (c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death,

but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.

(4) Where a payment as referred to in sub-paragraph (3) is made to-

- (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph applies for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
- (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph applies for the period beginning on the date on which that payment is made and ending two years after that date; or
- (c) person referred to in sub-paragraph (3)(c), that sub-paragraph applies for the period beginning on the date on which that payment is made and ending-
  - (i) two years after that date; or
  - (iv) on the day before the day on which that person-
    - (aa) ceases receiving full-time education; or
    - (bb) attains the age of 20,

whichever is the latest.

(5) In this paragraph, a reference to a person-

- (a) being the diagnosed person's partner;

(b) being a member of a diagnosed person's family; (c) acting in place of the diagnosed person's parents,

at the date of the diagnosed person's death includes a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.

(6) In this paragraph-

“diagnosed person” means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld-Jakob disease;

“relevant trust” means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

“trust payment” means a payment under a relevant trust.

**60.** The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner-

(a) was a slave laborer or a forced laborer;

(b) had suffered property loss or had suffered personal injury; or

(c) was a parent of a child who had died, during the Second World War.

**61.** (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) “local authority” includes in England a county council.

**62.** Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or by virtue of regulations made under section 50 or 52 of the Social Services and Well-being (Wales) Act 2014 (direct payments).

**63.** Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

**64.** Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

**65.** Any payments to an applicant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments).

**66.** (1) Any payment made by a local authority in accordance with section 26A of the Children (Scotland) Act 1995 (duty to provide continuing care).

(2) Any payment or part of a payment made by a local authority in accordance with that section to a person (“A”) which A passes on to the applicant where A—

- (a) was formerly in the applicant's care;
- (b) is aged 16 or over; and
- (c) continues to live with the applicant.

## SCHEDULE 5 – Income Bands and Contribution Rates (for Class F persons)

1. The amounts specified below are to be used for Class F persons – those in receipt of Universal Credit as detailed in para's 1.11.0 to 1.11.10;

Income Bands (Monthly)	monthly contribution	Income Bands (Weekly up to)	Weekly contribution
Not in work or less than £309	£0	Not in work or less than £71.30	£0
£309 - £649.99	£41	£150.00	£9.46
£650 - £1236.99	£87	£285.46	£20.08
£1237 to £1967.99	£128	£454.15	£29.54
£1968 - £2527.99	£195	£583.38	£45.00
£2528 - £2999.99	£254	£692.30	£58.62
Over £3000	No entitlement to CTS	over £692.31	No entitlement to CTS

2. For the purposes of paragraph 1 the level of earnings used to determine the applicable Working Age CTR Income Band will be that notified by the Department for Work and Pension within the Universal Credit award notification.
3. The Income Bands and Contribution Rates will apply for the Council Tax year commencing 1<sup>st</sup> April 2024 and be reviewed on an annual basis as part of the Council Tax setting process.