

Stockton on Tees Borough Council Local Council Tax Support Scheme 2019/20

From 1 April 2013, the government abolished the national Council Tax Benefits system and told councils to introduce a **Local Council Tax Support scheme (LCTS)** to replace it. At the same time the government reduced the amount of money it gives the Council to pay for the replacement scheme. We no longer receive enough money to keep providing help at the same level for everyone who claimed in the past.

Annual review of scheme and annual uprating

The LCTS scheme set out in this document applies from 1 April 2019. Figures in respect of applicable amounts, income/capital disregards and non-dependant deductions may be uprated to allow for inflation. Any such uprating will take effect from 1st April each year and will usually be increased in line with changes made by government to the Council Tax Reduction Scheme (Prescribed Requirements) (Amendments) Regulations. However if in future years the government does not publish uprated figures in relation to any amounts in Stockton's LCTS Scheme, the Council reserve the right to uprate these annually by reference to the consumer price index, retail price index, rates used for Housing Benefit and Universal Credit or by some other method decided by the Council.

Who is able to get the new Council Tax Support?

Anyone liable for Council Tax can apply for help under the new scheme which, like the old one, is based on income and personal circumstances.

Pensioners can receive the same level of help as they did under Council Tax Benefit
Working age people can only claim help with up to 80% of their bill, therefore everyone of working age, even if they qualify for help, will have to pay at least 20% of their Council Tax bill.

Persons from Abroad

Foreign nationals with limited immigration status and certain non-economically active EEA individuals are excluded from receiving LCTS.

Returning Nationals after a long spell outside of the United Kingdom will have to satisfy the Habitual Residence Test in order to qualify for LCTS.

Refugees

Those persons that have recognised refugee status, humanitarian protection, discretionary leave to remain in the country outside of the immigration rules and who are exempt from the habitual residence test will be entitled to apply for LCTS as long as their status has not been revoked.

Who Can Claim

This scheme is open to individuals who, on any day, are liable to pay Council Tax on a dwelling occupied as their sole or main residence.

The amount of support will be calculated using a means test. This means test compares income and a "Living Allowance" for the person claiming, their partner and any dependant children (the family).

A claimant (and partner), with capital of £16,000 or more will not be entitled to LCTS.

The income of the claimant and partner will be added together for the purpose of calculating LCTS.

Temporary Absence

LCTS may still be claimed, in certain circumstances, where a person is temporarily absent from the home upon which support is claimed.

Periods of temporary absence for up to 13 weeks are not counted, providing that the home is not let or sub let during the time of absence, and the person intends to return, or is in residential accommodation on a trial basis.

Periods of absence which are unlikely to exceed 52 weeks will not be counted in the following circumstances

- The person is absent providing care which has been approved by a medical practitioner.
- The person is absent caring for the child of a person undergoing medical treatment, medically approved convalescence or is patient in hospital or similar institution.
- The person is absent because they or their partner or dependant child is undergoing medical treatment, medically approved convalescence or is patient in hospital or similar institution.
- The person is a student or following a training course.
- The person is detained in custody or required as a condition of bail to reside elsewhere.
- The person is absent because of fear of domestic violence
- providing that the property is not let or sub let during the time of absence, and the person intends to return.

Classes of people who can Claim – Pension Age

The scheme is open to the following classes of people:-

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| Class A | |
| <p><i>People who are</i></p> <ul style="list-style-type: none"> • Pension Age • Liable to pay Council Tax on their home • Have made a claim for Local Council Tax Support | <p><i>And are receiving:</i></p> <ul style="list-style-type: none"> • Pension Credit Guarantee Credit • or their income is less than or equal to their applicable amount, and they have capital under £16,000 |
| <p><i>Support is calculated:-</i> Entitled to maximum support of 100% of Council Tax liability The amount of support may be adjusted downwards if other adults live in the home</p> | |
| Class B | |
| <p><i>People who are</i></p> <ul style="list-style-type: none"> • Pension Age • Liable to pay Council Tax on their home • Have capital under £16,000 • Have made a claim for Local Council Tax Support | <p><i>And whose</i> Income is greater than the applicable amount</p> |

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| <p><i>Support is calculated:-</i> Income will be compared to the applicable amount. Maximum support of 100% of council tax liability will be reduced by 20% of the amount by which the income exceeds the applicable amount.</p> | |
| <p>This amount of support may be adjusted downwards if other adults live in the home.</p> | |
| <p>Class C</p> | |
| <p><i>People who are</i></p> <ul style="list-style-type: none"> • Pension Age • Liable to pay Council Tax on their home • Have made a claim for Local Council Tax Support | <p><i>And where</i> There are other residents who are not liable to pay rent to the claimant , or who are “disregarded persons”</p> |
| <p><i>Support is calculated – based on the income of the second adults</i></p> | |

Classes of People who can claim – Working Age

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| <p>Class D</p> | |
| <p><i>People who are</i></p> <ul style="list-style-type: none"> • Working age • Liable to pay Council Tax on their home • Have capital under £16,000 • Have made a claim for Local Council Tax Support | <p><i>And are receiving:</i></p> <ul style="list-style-type: none"> • Income Support • Income Related Job Seekers Allowance • Income Related Employment and Support allowance • or their income is less than or equal to their living allowance |
| <p><i>Support is calculated:-</i> Entitled to maximum support of 80% of Council Tax liability The amount of support may be adjusted downwards if other adults live in the home</p> | |
| <p>Class E</p> | |
| <p><i>People who are</i></p> <ul style="list-style-type: none"> • Working age • Liable to pay Council Tax on their home • Have capital under £16,000 • Have made a claim for Local Council Tax Support | <p><i>And whose</i> Income is greater than the living allowance</p> |
| <p><i>Support is calculated:-</i> Income will be compared to the living allowance. Maximum support of 80% of Council Tax liability will be reduced by 20% of the amount by which the income exceeds the living allowance. This amount of support may be adjusted downwards if other adults live in the home.</p> | |

Membership of a Family

LCTS is calculated based upon a means test which takes into account the income, capital and “living allowance” for the claimant and where appropriate members of their family.

A person’s family includes:-

- their partner
- any child or young person they are responsible for and who is a member of the same household.

Where a child or young person lives in different households or where there is a question as to where the child is living the Council will decide which household the child will be treated as residing in for the purposes of calculating LCTS. This may be done by reference to decisions made in relation to other benefits claimed. A child will be treated as residing in only one household for any benefit week.

Foster children or children placed for adoption will not be treated as part of the claimant’s household.

Children not living with the claimant and who are in Local Authority care or placed with another family for adoption will not be treated as part of the claimant’s household.

Applicable Amount

The Applicable Amount will be made up of a number of elements. These may include, depending upon individual circumstances:-

- A personal allowance for the claimant and partner
- An amount for every child or young person who is a member of the family
- A “family premium” where at least one child or young person is part of the family
- Premiums which may apply in special circumstances.

The amounts to be included in the living allowance are the same as those that apply for Housing Benefit. Full details are included at Schedule 2 of the LCTS scheme for pensioners, and Schedule 3 for people of working age.

Income and Capital

The income of the claimant and partner will be added together for the purpose of calculating LCTS.

Income will be calculated on a weekly basis.

The income to be taken into account will be the likely average weekly income of the claimant and partner. This will be calculated over such a period as is likely, in the opinion of the Council, to provide the most accurate estimate.

In the case of earnings from employment, where employment is due to commence an estimate of likely earnings will be based upon information available from the employer

A tariff (a standard rate) income from capital will be calculated and added to other income

Earnings from employment

The amount of earnings to be taken into account shall be gross earnings less any amount deducted from those earnings in respect of:-

- Income Tax
- Primary Class 1 national Insurance Contributions
- One half of any personal or occupational pension contribution.

Child Care Charges

Child care charges up to a maximum of £175 for one child or £300 for two or more children, will be deducted from earned income plus income from working tax credit and child tax credit where:-

- a single claimant works 16 hours per week or more
- both members of a couple work 16 hours per week or more
- where one member of a couple works 16 hours per week or more and the other member of the couple is disabled, and the disability addition is included in the couples living allowance due to this disability
- where one member of a couple works 16 hours per week or more and the other member of the couple is on maternity leave and receiving statutory maternity pay or maternity allowance.

The child must be under 15 years of age or 16 if they are disabled, and the care must be provided by one of the following:

- A registered Childminder.
- A registered nursery or play scheme.
- An out of hours scheme run by an approved provider.
- An out of hours club provided by a school on school premises. This applies only if the child is aged 8 or over.

Self-employed earnings

Earnings from self employment shall be calculated as the net profit of the employment. The calculation of net profit will be based upon that used for Housing Benefit and the default Council Tax Benefit scheme. Some expenses allowable by HMRC are not allowable in the calculation of Local Council Tax Support. Deductions will be made for income tax, national insurance contributions and one half of allowable personal pension contributions.

For childminders, one third of the gross profit will be used to calculate income. A net profit will then be derived by deducting tax, national insurance, 50% of pension contributions and expenses.

In cases where tax and national insurance contributions are not provided, the Council will estimate the figures.

Full details of earnings disregards can be found at Schedule 5 for pensioners and Schedule 7 for people of working age.

NB The standard disregards have been increased by £5 in the Stockton scheme and differ from those in housing benefit and the LCTS scheme for pensioners

Income other than earnings

Any income of a claimant or partner other than earnings will be taken into account. Certain amounts will be disregarded in the calculation of income other than earnings, and this replicates the provision in the housing benefit regulations. The current arrangement to disregard the whole amount of a war widows or war disablement pension continues as a part of the Stockton LCTS scheme.

Following the introduction of Universal Credit and Personal Independence Payments new claimants will be migrated onto these benefits over time so both old and new benefits will co-exist for a number of years. An equivalent approach for an individual on the new benefit is incorporated within the Council's LCTS scheme, so for example Personal Independence Payments will be treated in the same way as Disability Living Allowance, and fully disregarded.

Full details of income disregards can be found at Schedule 6 for pensioners and Schedule 8 for people of working age. They reflect the disregards in force in Housing Benefit.

Where deductions are being made from income in recovery of overpayments, by public bodies, the gross income amount will be taken into account.

Notional Income

Where a claimant or partner has deprived himself of income in order to secure entitlement to LCTS the Council shall treat the income as though it was still received. The Council shall also treat any income available to the claimant or partner, but not claimed or received, as income.

Capital

All capital held by the claimant and partner will be taken into account. In cases where capital is jointly held with others the Council will apportion the capital as considered appropriate.

The capital cut off limit for LCTS is £16,000.

Tariff income rules are the same as for Housing Benefit.

Some items of capital will not be taken into account in the calculation of LCTS. A full list of disregarded capital can be found at Schedule 9 for pensioners and schedule 10 for people of working age. Capital disregards reflect those in force for Housing Benefit.

Notional capital

A claimant shall be treated as possessing capital of which he has deprived himself, in order to secure entitlement to LCTS.

Students

Most full time students are exempt from payment of Council Tax and also excluded from receiving LCTS.

When considering a claim from a liable student the Council will apply the rules as contained in the default Council Tax Support scheme which mirror the previous Council Tax Benefit provisions.

Amount of Benefit

Maximum Council Tax Support- Working Age

The amount of a person's maximum CTS for a day which they are liable to pay Council Tax will be 80% of their liability.

The LCTS limits maximum support to 80% of Council Tax liability for people of working age. Pensioners can still receive up to 100% support.

The amount of maximum LCTS will be calculated as A divided by B where:

- a) A is the amount of Council Tax set for the financial year for the dwelling the person resides in and for which they are liable, less any discount which applies
- b) B is the number of days in that financial year

less any non-dependant deductions.

Where a person is jointly and severally liable for Council Tax for a dwelling they reside in, which they are liable with one or more other persons (except students who are not entitled to LCTS), the maximum amount of LCTS will be the amount in A divided by the number of people who are jointly and severally liable. This will not apply if the only person they are jointly and severally liable with is their partner.

Non-dependant deductions

A non-dependant is any person who normally resides with the claimant, with the exception of the following:

- a) The claimant's partner
- b) Any child or young person who is a member of the claimant's family
- c) Foster children
- d) Any person who the claimant is jointly and severally liable to pay Council Tax for the same dwelling
- e) Any person liable to pay rent to occupy the same dwelling, other than close relatives or people with tenancies that are classed as non-commercial
- f) A person who lives with the claimant to provide care for them or their partner, who has been engaged by a voluntary or charitable organisation which makes a charge to the claimant or their partner for the services provided by that person

A deduction from a person's maximum LCTS will be made for non-dependants, as follows:

- a) A non-dependant aged 18 or over in remunerative work where their normal gross income is;
 - i) less than £ 207.70 the deduction will be £4.00 per week
 - ii) between £207.70 and £360.10 the deduction will be £ 8.10 per week
 - iii) between £360.10 and £ 447.40, the deduction will be £10.20 per week
 - iv) £447.40 or over, the deduction will be £12.20 per week
- b) A non-dependant aged 18 or over not in remunerative work, the deduction will be £4.00 per week.

In calculating the gross income of a non-dependant, any amounts which would normally be disregarded for a LCTS claimant, will also be disregarded for a non-dependant.

Only one non-dependant deduction will be made for a couple, and the amount deducted will be based on their joint income, calculated as above.

Where a person is jointly and severally liable for Council Tax for a dwelling they reside in, which they are liable with one or more other persons, the amount of the non-dependant deduction will be apportioned equally between those liable persons.

Non-dependant deductions will not be made in the following circumstances:

- a) Where the claimant or their partner is blind
- b) Where the claimant or their partner receives Attendance Allowance or the care component of Disability Living Allowance or the daily living component of Personal Independence Payment
- c) Where the non-dependant normally resides elsewhere
- d) Where the non-dependant receives a training allowance
- e) Where the non-dependant is a full-time student
- f) Where the non-dependant is not residing with the claimant because they have been an in-patient for more than 52 weeks (without any break exceeding 28 days)
- g) Where the non-dependant receives Income Support, Income Based Jobseekers Allowance, Income Related Employment and Support Allowance, or Pension Credit
- h) Where the non-dependant receives universal credit but they do not have any earnings included in their award of universal credit
- i) Where the non-dependant is aged under 18
- j) Where the non-dependant is not residing with the applicant because he/she is a member of the regular forces or the reserve forces and is absent, while on operations, from the dwelling usually occupied as their home.

Council Tax Support taper

The percentage of excess income over the applicable amount which will be deducted from the weekly maximum LCTS will be 20%.

Extended payments – Working Age only

A person who is entitled to LCTS will be entitled to an extended payment where:-

- a) Entitlement to Income Support, Income Based Job Seekers Allowance or Income Related Employment and Support Allowance has ceased because the claimant, or their partner
 - i) Commenced employment as an employed or self-employed earner, or
 - ii) Increased their earnings from their employment, or
 - iii) Increased the number of hours in their employment,

and that employment, increased earnings, or increased number of hours are expected to last five weeks or more:-

and

- b) Immediately prior to the benefit above ending the claimant or their partner were entitled to any combination of the benefits listed below for a continuous period of 26 weeks :-
 - i) Income Support, or
 - ii) Jobseekers Allowance (Income Based or Contributory), or
 - iii) Employment and Support Allowance (Income Related or Contributory), or
 - iv) Incapacity Benefit, or
 - v) Severe Disablement Allowance

providing that the person remains liable for Council Tax at the dwelling in which they reside during the extended payment period.

Duration of the extended payment period

The extended payment period will start on the day after LCTS would normally have ended after the qualifying benefit has ceased and will last for 4 weeks or up to the day Council Tax liability at the dwelling in which they reside ends, if this is earlier.

Amount of the extended payment

The amount of the extended payment will be the higher of:

- a) The amount of LCTS which the claimant was entitled to before the qualifying benefit ceased, or
- b) The amount of LCTS which the claimant is entitled to after the qualifying benefit ceased.

Extended Payments for People Approaching State Pension Credit Age

An individual who is approaching pension credit age and

- who is in receipt of LCTS and
- who is not in receipt of income support, income related job seekers allowance or income based employment and support allowance

will continue to receive an extended payment of LCTS for 4 weeks whilst they or their partner apply for the pension age LCTS scheme. They will be paid, for those 4 weeks, whichever award is the greater.

Claims, Decisions and Appeals.

Date on which entitlement is to begin

Entitlement to Council Tax Support will begin on the Monday following the date the claim, or intention to claim is received by the Council.

If a claim for Council Tax Support is made within the same week (Monday to Sunday) as the claimants liability for Council Tax begins any entitlement shall be awarded from the date of liability.

A claim from a person of working age may be backdated for a period of up to 6 months where the claimant can show good cause for having failed to make a claim at an earlier date. Pensioners claims may be backdated for 3 months, as per the previous Council Tax Benefit rules.

Date on which change of circumstances is to take effect

Changes in circumstances will be effective from the Monday following the date of the change.

Certain exceptions still apply, as in the present scheme.

Who may claim

In the case of couples one partner must make the claim for both members of the couple.

A claim may be made by a third party if the claimant is unable to act for themselves.

Time and manner in which claims are to be made

A claim for a reduction in Council Tax Support should be made on the appropriate form. Such claim forms are available from Customer Service Centres, the benefit helpline (01642 393829) or are available to download from the SBC website. Where a person reclaims LCTS after a break of less than 13 weeks a new claim form shall not be required.

Evidence and Information

The claimant shall supply the Council with the information and evidence it reasonably requires in order to assess entitlement to Council Tax Support.

This information must be provided within 21 days of any request or the claim will be treated as withdrawn. This time limit may be extended on request made in advance.

Amendment and withdrawal of claim

A claim for Council Tax Support can be withdrawn at any time.

Duty to notify change of circumstances

Changes can be notified in writing, by telephone or electronically.

The claimant or partner is required to notify the Council of any change in their circumstances which may affect their entitlement to Council Tax Support. Changes to be reported include changes in family composition, household membership, income, capital and personal details.

Decisions by a relevant authority

Once the Council has received a complete claim and all the information and evidence it reasonably requires it will reach a decision on the claim within 14 days or as soon as reasonably practicable after that. The decision will be notified by letter and issuing a new Council Tax bill.

Time and manner of granting council tax support

Payment of Council Tax Support will be in the form of a credit to the Council Tax account. The yearly award of Council Tax Support will be shown on the Council Tax bill. A summary explaining how the Council Tax Support has been calculated will be sent with the bill.

Person to whom benefit is to be paid

Council Tax Support will be paid to the taxpayer or their appointee.

Recoverable overpayments

All overpayments of Council Tax Support, however they were caused, are recoverable in full. This includes all errors made by the claimant or their partner, family members, appointees, errors by the Council or its agent or other areas of Government. Overpayments will normally be recovered by charging the claimants council tax account and issuing a new bill.

Decisions and Appeals

Any document required to be given or sent to the Council shall be treated as having been given or sent on the day it is received by the Council.

Any notice or other document required to be given or sent by the Council shall be sent to the persons last known address and treated as given or sent on the day it was posted.

An original decision may be revised by the council at any time.

A claimant, partner or appointee can make an application for a decision to be revised.

On receipt of a request for a revision the Council will reconsider the original decision and decide whether or not the decision should be changed. The claimant will be notified of the result of the request for revision within one month, or as soon as reasonably practicable thereafter. The notification will include the reasons for decision and give details of the right of appeal against the decision.

If the Council does not respond to a request for revision within 2 months a person may appeal immediately to the Valuation Tribunal.

The right of appeal will be to the Valuation Tribunal for England.

Definitions

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| Working Age | Someone who has not yet attained the qualifying age for state pension credit or a person whose partner has not yet attained the qualifying age for state pension credit except where the claimant is |
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| | in receipt of income support, income based job seekers allowance or income related employment and support allowance. |
| Partner | A person's partner is their husband, wife, civil partner or person they live with as if they were married or in a civil partnership with them. |
| Child | A child is a person under the age of 16. |
| Young Person | A young person is someone aged 16 up to the age of 19 years normally living with the person claiming and receiving full time education. |