

**VALE OF WHITE HORSE DISTRICT  
COUNCIL**

**COUNCIL TAX REDUCTION SCHEME  
(PENSION AGE)**

## **Arrangement of Rules**

### **Part 1 – Definitions and Explanations**

1. Commencement and application
2. Interpretation
3. Meaning of “pensioner” and “person who is not a pensioner”
4. Non-dependants
5. Remunerative work
6. Pensioners
7. Persons treated as not being in Great Britain
- 7A. Transitional provision
8. Persons subject to immigration control
9. Period of absence from a dwelling

### **Part 2 – Who is Eligible**

10. Classes of persons entitled to a reduction under the authority’s scheme
11. Class A: pensioners whose income is less than the applicable amount
12. Class B: pensioners whose income is greater than the applicable amount
13. Class C: alternative maximum council tax reduction

### **Part 3 – How to Apply**

14. Making an application
15. Procedure by which a person may apply for a reduction under the authority’s scheme
16. (How an application is to be made)
17. (Designated office)
18. (Defective applications)
19. (Defective electronic communications)
20. (Valid telephone claims)
21. (Defective telephone claims)
22. Date on which an application is made
23. Amendment and withdrawal of application
24. Information and evidence
25. Back-dating of applications

### **Part 4 – How Your Household is Worked Out**

26. Meaning of “couple”
27. Polygamous marriages
28. Meaning of “family”
29. Circumstances in which a person is to be treated as responsible or not responsible for another
30. Households

## **Part 5 – How Your Income and Capital is Worked Out**

31. Calculation of income and capital: applicant's family and polygamous marriages
32. Circumstances in which income and capital of a non-dependant is to be treated as applicant's

### **Income**

33. Applicant in receipt of guarantee credit
34. Calculation of applicant's income in savings credit cases only
35. Calculation of income and capital where state pension credit is not payable
36. Meaning of income
37. Calculation of weekly income
38. Earnings of employed earners
39. Calculation of net earnings of employed earners
40. Calculation of earnings of self-employed earners
41. Earnings of self-employed earners
42. Notional income
43. Income paid to third parties
44. Calculation of income on a weekly basis
45. Treatment of child care charges
46. Additional condition referred to in rule 45(10)(b)(i): disability
47. Calculation of average weekly income from tax credits
48. Disregard of changes in tax, contributions etc
49. Calculation of net profit of self-employed earners
50. Calculation of deduction of tax and contributions of self-employed earners

### **Income Disregards – Earnings**

51. (Earning disregard restriction)
52. (Earning disregard – lone parent)
53. (Earning disregard £20)
54. (Earning disregard £20)
55. (Earning disregard £20)
56. (Earning disregard – exempt work)
57. (Disregard of payments for students)
58. (Disregard – couple and single person)
59. (Disregard earnings before entitlement)
60. (Additional earnings disregard)
61. (Disregard – banking charge for foreign currency)

### **Income Disregards – Income other than earnings**

62. (Disregard – war pensions)
63. (Disregard – war pensions)
64. (Disregard – mobility supplement etc)
65. (Disregard – military pensions)

66. (Disregard – personal injury for civilians)
67. (Disregard – pre-March 1973 military pensions)
68. (Disregard – widowed parent's allowance)
69. (Disregard – widowed mother's allowance)
70. (Disregard – board and lodging)
71. (Disregard – sub-tenant)
72. Disregard – annuity purchased with a loan)
73. (Disregard – income from discretionary trusts)
74. (Disregard – military pension to dependants)
75. (Disregard – court orders for accidents etc)
76. (Disregard – settlement of claim for injury)
77. (Disregard – prohibited foreign income)
78. (Disregard – banking charges etc)
79. ((Disregard – parental contribution for student)
80. (Disregard – payment for student maintenance)
81. (Disregard – maintenance)
82. (Disregard – additional disregard from tax credits)
83. (Disregard – income from deemed capital)
84. (Disregard – income from capital)
85. (Disregard – historic IS or JSA claimants who had charges for support costs)
- 85A. (Disregard – Victims Payments Regulations)

## **Capital**

86. Calculation of capital
87. Calculation of capital in the United Kingdom
88. Calculation of capital outside the United Kingdom
89. Notional capital
90. Diminishing notional capital rule
91. Capital jointly held
92. Calculation of tariff income from capital

## **Capital disregards**

93. (Disregard – premises)
94. (Disregard – premises intending to occupy)
95. (Disregard – essential repairs)
96. (Disregard – premises occupied by relative and former partner)
97. (Disregard – future interest in property)
98. (Disregard – former dwelling – estrangement or divorce)
99. (Disregard – reasonable steps dispose of property)
100. (Disregard - personal possessions)
101. (Disregard – self-employed business assets)
102. (Disregard – business assets when no longer employed)
103. (Disregard – surrender value of life insurance policy)
104. (Disregard – funeral plan policy)
105. (Disregard – ex-Japanese prisoners)
106. (Disregard – Creutzfeld-Jakob suffers)
107. (Disregard – World War 2 slave labourers)

- 108. (Disregard – Mcfarlane trusts)
- 108A. (Disregard – Thalidomide victims)
- 109. (Disregard – personal injuries)
- 110. (Disregard – 1 year length for various payments)
- 111. (Disregard – insurance policies)
- 112. (Disregard – purchasing and repairs to premises)
- 113. (Disregard – arrears etc of benefits)
- 114. (Disregard – official errors of benefits)
- 115. (Disregard – banking charges)
- 116. (Disregard – right to receive a pension)
- 117. (Disregard – arrears of supplementary pension)
- 118. (Disregard – dwelling occupied as home)
- 119. (Disregard – capital of second adult)
- 120. (Disregard – graduated retirement pension)
- 120A. (Disregard – deferred new state pension taken as capital)
- 121. (Disregard – social and health care payments)
- 121A. (Disregard – age related payments)
- 121B. (Disregard – section 49 Children’s and Families Act 2014)
- 121C. (Disregard – Children (Scotland) Act 1995)
- 121D. (Disregard – Victims’ Payments Regulations)
- 121E. (Disregard – Carer’s Assistance (Young Carer Grants) (Scotland) Regulations 2019)
- 121F. (Disregard – Scottish winter heating assistance)
- 122. (Disregard – deemed income life interest or life rent)
- 123. (Disregard – deemed income right to receive rent)
- 124. (Disregard – deemed income under an annuity)
- 125. (Disregard – deemed income from property in trust)

## **Part 6 – Applicable Amounts**

- 126. Applicable amounts
- 127. Personal allowance
- 128. Child or young person amounts
- 129. Family premium
- 129A. Local family premium
- 129B. Transitional provision for rule 129
- 130. (Premiums general)
- 131. (Overlapping benefits)
- 132. Severe disability premium
- 133. Enhanced disability premium
- 134. Disabled child premium
- 135. Carer premium
- 136. Persons in receipt of concessionary payments
- 137. Person in receipt of benefit
- 138. Amounts of premium specified

## **Part 7 – Eligible Council Tax and Amount of Reduction**

- 139. Maximum council tax reduction amount under the authority’s scheme
- 140. Non-dependant deductions

- 141. Amount of reduction under a scheme: classes A to C
- 142. Alternative maximum council tax reduction under a scheme
- 143. (Second adult rebate amounts)
- 144. (Gross income for second adults)
- 145. (Disregarded second adults)

## **Part 8 – Decisions and Awards**

- 146. Decision by the authority
- 147. Notification of decision
- 148. Payment where there is joint and several liability

## **Part 9 – Entitlement and Change of Circumstances**

- 149. Date on which entitlement begins
- 150. Date on which change of circumstances is to take effect
- 151. Change of circumstances where state pension credit in payment
- 152. Duty to notify changes of circumstances

## **Part 10 – Extended Reductions**

- 153. Extended reductions (qualifying contributory benefits)
- 154. Duration of extended reduction period (qualifying contributory benefits)
- 155. Amount of extended reduction
- 156. Extended reductions (qualifying contributory benefits): movers
- 157. Relationship between extended reduction (qualifying contributory benefits) and entitlement to a reduction by virtue of classes A to C
- 158. Continuing reductions where state pension credit claimed
- 159. Extended reductions: movers into the authority's area

## **Part 11 – Appeals and Discretionary Reductions**

- 160. Procedure by which a person may appeal against certain decisions of the authority
- 161. Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act

## **Part 12 – Electronic Communications**

- 162. Interpretation
- 163. Conditions for the use of electronic communication
- 164. Use of intermediaries
- 165. Effect of delivering information by means of electronic communication
- 166. Proof of identity of sender or recipient of information
- 167. Proof of delivery of information
- 168. Proof of content of information

## **Part 13 – Excess Reductions**

- 169. Meaning of excess reduction
- 170. Recoverable excess reduction
- 171. Authority by which recovery may be made
- 172. Persons from whom recovery may be sought
- 173. Methods of recovery
- 174. Diminution of capital
- 175. Sums to be deducted in calculating recoverable excess reductions

## Part 1 – Definitions and Explanations

### Commencement and application

1.—(1) This scheme comes into force in the Vale of White Horse District Council on 1 April 2021.

### Interpretation

2.—(1) In these Rules—

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

“**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;

“**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;

“**alternative maximum council tax reduction**” means the amount determined in accordance with rules 142 to 145;

“**applicable amount**” means the amount calculated in accordance with rules 126 to 138;

“**applicant**” means a person who has made an application;

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

“**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—

(a) in relation to the earnings of a self-employed earner, the period determined in accordance with rule 40 for the purpose of calculating the weekly earnings of the applicant; or

(b) in relation to any other income, the period determined in accordance with rule 37 for the purpose of calculating the weekly income of the applicant;

“**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;

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

“**the benefit Acts**” means the SSCBA, the Jobseekers Act 1995, the State Pension Credit Act 2002 and the Welfare Reform Act 2007 and the Pensions Act 2014;

“**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 SSCBA;

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

“**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;

**“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 remove 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 SSCBA;

**“couple”** has the meaning given by rule 26 of these Rules;

**“Default Scheme Regulations”** means the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012;

**“designated office”** means the office of the authority designated by it for the receipt of applications—

(a) by notice upon or with a form supplied by it for the purpose of making an application;

(b) by reference upon or with such a form to some other document 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 of the SSCBA;

**“earnings”** has the meaning given by rules 38,40 or 41 as the case may be;

**“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) of the Electronic Communications Act 2000;

**“employed earner”** is to be construed in accordance with section 2(1)(a) of the SSCBA 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;

**“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 the scheme for which a person is eligible under rules 153 to 159;

**“extended reduction period”** means the period for which a person is in receipt of an extended reduction in accordance with rule 154;

**“extended reduction (qualifying contributory benefits)”** means a reduction under Part 10 by which a person is eligible pursuant to rule 153 or 156;

**“family”** has the meaning given by rule 28 of these Rules;

**“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 the Secretary of State on 24th April 1992 or, in Scotland, on 10th April 1992;

**“Grenfell Tower support payment”** means a payment made to a person because that person was affected by the fire on 14<sup>th</sup> June 2017 at Grenfell Tower, or a payment to a personal representative of such a person –  
(a) from the £5 million fund announced on 16<sup>th</sup> June 2017 for the benefit of certain persons affected by the fire on 14<sup>th</sup> June at Grenfell Tower and known as the Grenfell Tower Resident’s Discretionary Fund;  
(b) by the Royal Borough of Kensington and Chelsea;  
(c) by a registered charity;

**“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) or 29(1)(a) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011;

**“housing benefit”** means housing benefit under Part 7 of the SSCBA;

**“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;

**“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 23 December 2015 and the registered charity of that name (number 1172307) established on 28 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 29<sup>th</sup> 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;

**“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 rule 139.

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

**“member of work-related activity group”** means a person who has or is treated as having limited capability for work under either –

- (a) Part 5 of the Employment and Support Allowance Regulations 2008 other than by virtue of regulation 30 of those Regulations; or
- (b) Part 4 of the Employment and Support Allowance Regulations 2013 other than by virtue of regulation 26 of those Regulations;

**“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 rule 55(1)(a)(vii) 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 one authority to a dwelling in the area of a second authority;

**“the National Emergencies Trust”** means the registered charity of that name (number 1182809) established on 28<sup>th</sup> March 2019;

**“net earnings”** means such earnings as are calculated in accordance with rule 39;

**“net profit”** means such profit as is calculated in accordance with rule 49;

**“new dwelling”** means, for the purposes of the definition of “second authority” and rule 156, 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 rule 4;

**“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;

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

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

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

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

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

**“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 rule 3(a);

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

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

**“person who is not a pensioner”** has the meaning given by rule 3(b);

**“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 rule 27 applies;

**“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 income-related benefit”** means—

(a) income support;

(b) income-based jobseeker’s allowance;

(c) income-related employment and support allowance;

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

**“qualifying person”** means -

(a) a person in respect of whom a Grenfell Tower support payment has been made or 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 Windrush Compensation Scheme, the National Emergencies Trust, or the London Bombings Relief Charitable Fund;

**“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 rule 5;

**“rent”** means “eligible rent” to which regulation 12 of the Housing Benefit (Persons who have acquired the qualifying age for state pension credit) Regulations 2006 refer, less any deductions in respect of non-dependants which fall to be made under rule 140 (non-dependant deductions);

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

**“Scottish basic rate”** means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;

**“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);

**“Scottish taxpayer”** has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998;

**“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 SSCBA;

**“shared parental leave”** means leave under section 75E or 75G of the Employment Rights Act 1996;

**“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;

**“sports award”** means an award made by one of the Sports Councils named in section 23(2) of the National Lottery etc. Act 1993 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;

**“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;

**“tax year”** means a period beginning with 6th April in one year and ending with 5th 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 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;

**“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,

in so far as such charges are in respect of the dwelling which a person occupies as his home;

**“the We Love Manchester Emergency Fund”** means the registered charity of that name (number 1173260) established on 30 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) In these Rules, 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.

(3) For the purpose of these Rules, 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—

- (a) 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
- (c) 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).

(4) For the purposes of these Rules, 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—

- (a) 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
- (b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act 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.

(5) For the purposes of these Rules, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.

(6) In these Rules, 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).

(7) In these Rules, references to a person in class A, B or C (as the case may be) is a reference to class A, B or C described in rules 11 to 13.

(8) References in these rules to an applicant participating as a service user are to –

- (a) 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 social housing; or
  - (ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such services, or
- (aa) 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 functions,

in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or

(b) the carer of a person consulted as described in sub-paragraph (a) or (aa) where the carer is not being consulted as described in that sub-paragraph.

### **Meaning of “pensioner” and “person who is not a pensioner”**

**3.** In these Rules a person is—

- (1)(a) a “pensioner” if—
  - (i) he has attained the qualifying age for state pension credit; and
  - (ii) he is not and if he has a partner, his partner is not—
    - (aa) a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance; or
    - (bb) a person with an award of universal credit; and
- (b) a “person who is not a pensioner” if—
  - (i) he has not attained the qualifying age for state pension credit; or
  - (ii) he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is—
    - (aa) a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or
    - (bb) a person with an award of universal credit.

(2) For the purposes of sub-paragraph (a)(ii)(bb) and (b)(ii)(bb) in paragraph (1) an award of Universal Credit is to be disregarded during the relevant period.

(3) In this regulation –

**“assessment period”** has the same meaning as in the Universal Credit Regulations 2013;

**“relevant period”** means the period beginning with the day on which P and each partner of P has attained the qualifying age for state pension credit and ending with the day on which the last assessment period for Universal Credit ends.

## **Non-dependants**

**4.—**(1) In these Rules, “non-dependant” means any person, except someone to whom paragraph (2) applies, who normally resides with an applicant or with whom an applicant normally resides.

(2) This paragraph applies to—

- (a) any member of the applicant’s family;
- (b) 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 one of his partners is responsible;
- (c) a child or young person who is living with the applicant but who is not a member of his household by virtue of rule 30 (households);
- (d) subject to 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);
- (e) subject to 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;
- (f) 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) Excepting persons to whom sub-paragraph (2)(a) to (c) and (f) refer, a person to whom any of the following paragraphs applies is a non-dependant—

- (a) a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either—
  - (i) that person is a close relative of his or his partner; or
  - (ii) the tenancy or other agreement between them is other than on a commercial basis;
- (b) 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 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;
- (c) 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 scheme.

## **Remunerative work**

**5.—**(1) Subject to the following provisions of this rule, a person must be treated for the purposes of these Rules 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.

(2) Subject to sub-paragraph (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—

(a) 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);

(b) 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.

(3) Where, for the purposes of paragraph (2)(a), 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.

(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.

(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 (1) if the absence is either without good cause or by reason of a recognised, customary or other holiday.

(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 must be treated as not being in remunerative work in that week.

(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, shared parental leave, parental bereavement leave or adoption leave, or is absent from work because he is ill.

(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—

(a) a sports award has been made, or is to be made, to him; and

(b) no other payment is made or is expected to be made to him.

### **Pensioners**

**6.—**(1) Subject to paragraph (2), the classes of pensioners described in rule 10 are classes of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must be included in the authority's scheme.

(2) Pensioners whose capital exceeds £16,000 are a class of person prescribed for the purposes of that paragraph and which must not be included in the authority's scheme.

(3) Capital for the purposes of paragraph (2) is to be calculated in accordance with rules 31 to 35 and 86 to 92.

### **Persons treated as not being in Great Britain**

7.—(1) Persons treated as not being in Great Britain are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in the authority's scheme.

(2) Except where a person falls within paragraph (5) or (6), 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.

(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.

(4) For the purposes of paragraph (3), a right to reside does not include a right which exists by virtue of, or in accordance with—

(a) regulation 13 of the EEA Regulations;

(i) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is:

(aa) a jobseeker for the purpose of the definition of "qualified person" in regulation 6(1) of those regulations: or

(bb) a family member (within the meaning of regulation 7 of those regulations) of such a jobseeker;

(b) 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.

(4A) For the purposes of paragraph (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;

(b) being a person with a Zambrano right to reside as defined in Annex 1 of the Appendix EU to the immigration rules made under section 3(2) of the Act;

(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.

(4B) Paragraph (4A)(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 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).

(5) A person falls within this paragraph if the person is—

(a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;

(b) a family member of a person referred to in sub-paragraph (a);

(c) 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;

(ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(a), 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;

(cb) a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020;

(cc) 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;

(d) 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;

(e) 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 where that leave is:

(i) discretionary leave to enter or to remain in the United Kingdom

(ii) leave to remain under the Destitution Domestic Violence concession which came into effect on 1 April 2012; or

(iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005.

(f) a person who has humanitarian protection granted under those rules;

(g) 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.

(h) in receipt of income support, an income based jobseeker's allowance or an income related employment and support allowance; or

(i) in receipt of an income-based jobseeker's allowance and has the right to reside other than a right to reside falling within paragraph (4).

(6) A person falls within this paragraph if the person is a Crown servant or member of Her Majesty's forces posted overseas.

(7) A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of Her Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.

(8) In this rule—

“**claim for asylum**” has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;

“**Crown servant**” means a person holding an office or employment under the Crown;

“**EEA National**” has the meaning given in regulation 2(1) of the EEA Regulations;

“**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;

“**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);

“**Her Majesty’s forces**” has the same meaning as in the Armed Forces Act 2006;

“**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.

### **Transitional provision**

**7A** – (1) Rule 7(5)(i) does not apply to a person who, on 31<sup>st</sup> March 2015 –

(a) 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

(b) is entitled to an income-based jobseeker’s allowance, until the first of the events in paragraph (2) occurs.

(2) The events are –

(a) the person makes a new application for a reduction under an authority’s scheme established under section 13A(2) of the Act; or

(b) the person ceases to be entitled to an income-based jobseeker’s allowance.

(3) In this rule “the Act” means the Local Government Finance Act 1992.

### **Persons subject to immigration control**

**8.**—(1) Subject to paragraph (2), persons subject to immigration control are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in the authority’s scheme.

(2) A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11 December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18 October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purposes of paragraph (1).



(3) “Person subject to immigration control” has the same meaning as in section 115(9) of the Immigration and Asylum Act 1999.

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

**9.—(1)** A person is not absent from a dwelling in relation to any day which falls within a period of temporary absence from that dwelling.

(2) In sub-paragraph (1), a “**period of temporary absence**” means—

(a) a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation 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;

(b) a period of absence 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; and

(c) a period of absence 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 sub-paragraph (3) applies; and
- (iv) the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

(3) This sub-paragraph applies to a person who—

(a) is detained in custody on remand pending trial or required, as a condition of bail, to reside—

- (i) in a dwelling, other than the dwelling referred to in sub-paragraph (1), or
- (ii) in premises approved under section 13 of the Offender Management Act 2007, or is detained in custody pending sentence upon conviction;

(b) is resident in a hospital or similar institution as a patient;

(c) is undergoing, or whose partner or dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;

(d) is following, in the United Kingdom or elsewhere, a training course;

(e) is undertaking medically approved care of a person residing in the United Kingdom or elsewhere;

(f) 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;

(g) is, in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;

(h) is a student;

(i) is receiving care provided in residential accommodation and is not a person to whom subparagraph (2)(a) applies; or

(j) 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.

(4) This sub-paragraph applies to a person who is—

(a) 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

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

(5) Where sub-paragraph (4) applies to a person, then, for any day when he is on temporary release—

(a) if such temporary release was immediately preceded by a period of temporary absence under sub-paragraph (2)(b) or (c), he must be treated, for the purposes of sub-paragraph (1), as if he continues to be absent from the dwelling, despite any return to the dwelling;

(b) for the purposes of sub-paragraph (3)(a), he must be treated as if he remains in detention;

(c) if he does not fall within paragraph (a), 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.

(6) This sub-paragraph applies where –

(a) a person is temporarily absent from Great Britain;

(b) the person is a member of Her Majesty's forces posted overseas, a mariner or a continental shelf worker;

(c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

(7) Where sub-paragraph (6) 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 –

(a) the person intends to return to the dwelling;

(b) the part of the dwelling in which he usually resides is not let or sub-let;

(c) the period of absence from Great Britain is unlikely to exceed 26 weeks.

(8) In this paragraph—

**“continental shelf worker”** means a person who is employed, whether under a contract of service or not, in a designated 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 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 –

(a) 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;

or

(b) 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 Her 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 Her 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 exploring 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 2 – Who is Eligible

### **Classes of persons entitled to a reduction under the authority's scheme**

**10.**—(1) The classes of pensioners described in rules 11 to 13 are entitled to a reduction under the authority's scheme.

(2) In those paragraphs, references to an applicant's income or capital include, in a case where that income or capital cannot accurately be determined, references to the applicant's estimated income or capital.

#### **Class A: pensioners whose income is no greater than the applicable amount**

**11.** On any day class A consists of any person who is a pensioner—

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who, subject to rule 9 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of persons prescribed for the purposes of paragraph 2(9) of Schedule 1A to the 1992 Act as a class of person which must not be included in the authority's scheme;
- (e) whose income (if any) for the relevant week does not exceed his applicable amount; and
- (f) who has made an application.

#### **Class B: pensioners whose income is greater than the applicable amount**

**12.** On any day class B consists of any person who is a pensioner—

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who, subject to rule 9, is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the 1992 Act as a class of person which must not be included in the authority's scheme;
- (e) whose income for the relevant week is greater than his applicable amount;
- (f) in respect of whom amount A exceeds amount B where—
  - (i) amount A is the maximum council tax reduction in respect of the day in the applicant's case; and
  - (ii) amount B is  $2\frac{6}{7}$  per cent of the difference between his income for the relevant week and his applicable amount; and
- (g) who has made an application.

#### **Class C: alternative maximum council tax reduction**

**13.**—(1) On any day class C consists of any person who is a pensioner—

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who, subject to rule 9, is not absent from the dwelling throughout the day;

- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the 1992 Act as a class of person which must not be included in the authority's scheme;
- (e) who has made an application; and
- (f) in relation to whom the condition in sub-paragraph (2) is met.

(2) The condition referred to in sub-paragraph (1)(f) is that no other resident of the dwelling is liable to pay rent to the applicant in respect of the dwelling and there is an alternative maximum council tax reduction in respect of the day in the case of that person which is derived from the income, or aggregate incomes, of one or more residents to whom this sub-paragraph applies.

(3) Sub-paragraph (2) applies to any other resident of the dwelling who—

(a) is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;

(b) is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);

(c) is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—

(i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or

(ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;

(d) is not a person who jointly with the applicant falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or

(e) is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

## **Part 3 – How to Apply**

### **Making an application**

**14.**—(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.

(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—

(a) 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

(b) 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

(c) 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.

(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 sub-paragraph (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 the authority's scheme and to receive and deal on his behalf with any sums payable to him.

(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 sub-paragraph (3).

(5) Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4)—

(a) it may at any time revoke the appointment;

(b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;

(c) any such appointment terminates when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).

(6) Anything required by the authority's 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 sub-paragraph (2) above or by or to the person appointed or treated as appointed under this rule and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.

(7) The authority must—

(a) inform any person making an application of the duty imposed by rule 152(1)(a);

(b) explain the possible consequences (including prosecution) of failing to comply with that duty; and

(c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

**Procedure by which a person may apply for a reduction under the authority's scheme**

**15.** Rules 16 to 21 apply to an application made under the authority's scheme.

**16.** An application may be made—

- (a) in writing,
- (b) by means of an electronic communication in accordance with rules 162 to 168, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

**17.—(1)** An application which is made in writing must be made to the designated office on a properly completed form.

(2) The form must be provided free of charge by the authority for the purpose.

**18. —(1)** Where an application made in writing is defective because—

- (a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or
  - (b) it was made in writing but not on the form approved 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 sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

(2) An application made on a form provided by the authority is properly completed if it is completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

**19.—(1)** 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.

(2) An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

**20.** 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.

**21.—(1)** If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

## **Date on which an application is made**

**22.**—(1) Subject to sub-paragraph (7), the date on which an application is made is—

(a) in a case where—

(i) an award of state pension credit which comprises a guarantee credit has been made to the applicant or his partner, and

(ii) the application for a reduction is made within one month of the date on which the claim for that state pension credit which comprises a guarantee credit was received at the appropriate DWP office,

the first day of entitlement to state pension credit which comprises a guarantee credit arising from that claim;

(b) in a case where—

(i) an applicant or his partner is a person in receipt of a guarantee credit,

(ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling he occupies as his home, and

(iii) the application is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(c) in a case where—

(i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit 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, employment and support allowance or universal credit was received,

the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim;

(d) 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 is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(e) in a case where—

(i) an applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under the authority's scheme, and

(ii) the applicant makes an application for a reduction under that scheme within one month of the date of the death or the separation,

the date of the death or separation;

(f) except where paragraph (a), (b) or (e) 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 was issued to an applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

(g) in any other case, the date on which an application is received at the designated office.

(2) For the purposes only of sub-paragraph (1)(c) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under—

(a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or

(b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days), have been entitled to that allowance.

(3) Where the defect referred to in rule 21 (applications by telephone)—

(a) 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;

(b) 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 the application.

(4) The authority must treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.

(5) The conditions are that—

(a) where rule 18(a) (incomplete form) 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

(b) where rule 18(b) (application not on approved form or further information requested by authority) 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 rule 18 within one month of the request,

or, in either case, within such longer period as the authority may consider reasonable; or

(c) 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.

(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 the authority's scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority must treat the application as having been made on the day on which the liability for the tax arises.

(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 the authority's 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 its scheme for a period beginning not later than—

(a) 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

(b) 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.

(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 of income support, a job seekers allowance or an employment and support allowance.

### **Amendment and withdrawal of application**

**23.—**(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 delivered or sent to the designated office.

(2) Where the application was made by telephone in accordance with rules 15 to 21, the amendment may also be made by telephone.

(3) Any application amended in accordance with sub-paragraph (1) or (2) is to be treated as if it had been amended in the first instance.

(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.

(5) Where the application was made by telephone in accordance with rules 15 to 21, the withdrawal may also be made by telephone.

(6) Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.

(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.

### **Information and evidence**

**24.**—(1) Subject to sub-paragraph (3), a person who makes an application for a reduction under the authority's scheme must satisfy sub-paragraph (2) in relation both to himself and to any other person in respect of whom he is making the application.

(2) This sub-paragraph is satisfied in relation to a person if—

(a) the application is accompanied by—

(i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or

(ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or

(b) 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—

(i) evidence of the application for a national insurance number to be so allocated; and

(ii) the information or evidence enabling it to be so allocated.

(3) Sub-paragraph (2) does not apply—

(a) in the case of a child or young person in respect of whom an application for a reduction is made;

(b) to a person who—

(i) is a person treated as not being in Great Britain for the purposes of these Rules;

(ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and

(iii) has not previously been allocated a national insurance number.

(4) Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under the authority's 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 its 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.

(5) Nothing in this paragraph requires a person who is a pensioner to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.

(6) Where the authority makes a request under sub-paragraph (4), it must—  
(a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty under rule 152 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and  
(b) without prejudice to the extent of the duty owed under rule 152, 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 must be notified.

(7) This sub-paragraph applies to any of the following payments—  
(a) a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies Trust or the London Bombings Relief Charitable Fund;  
(aa) a Grenfell Tower support payment;  
(b) a payment which is disregarded under rule 108 (payments made under certain trusts and certain other payments), other than a payment under the Independent Living Fund (2006);  
(c) a payment which is disregarded under rule 140(10).

(8) Where an applicant or a person to whom a reduction under the authority's 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—  
(a) the name and address of the pension fund holder;  
(b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

### **Back-dating of applications**

**25.—**(1) This rule applies only to persons who are pensioners.

(2) Subject to sub-paragraph (3), the time for the making of an application under the authority's scheme is as regards any day on which, apart from satisfying the condition of making an application, the applicant is entitled to such a reduction, that day and the period of three months immediately following it.

(3) In any case where rule 22(1)(a) (date on which application made: state pension credit comprising guarantee credit) applies, sub-paragraph (2) does not entitle a person to apply for a reduction under the authority's scheme in respect of any day earlier than three months before the date on which the claim for state pension credit is made (or treated as made by virtue of any provision of the Social Security (Claims and Payments) Regulations 1987).

## **Part 4 – How Your Household is Worked Out**

### **Meaning of “couple”**

**26.**—(1) In these Rules “couple” means—

- (a) two people who are married to, or civil partners of, each other and are members of the same household; or
- (b) two people who are not married to, or civil partners of, each other but are living together as if they were a married couple or civil partners.

### **Polygamous marriages**

**27.**—(1) This rule applies to any case where—

- (a) a person is a husband or wife by virtue of a marriage entered into under a law which permits polygamy; and
- (b) either party to the marriage has for the time being any spouse additional to the other party.

(2) For the purposes of rule 26 neither party to the marriage is to be taken to be a member of a couple.

### **Meaning of “family”**

**28.**—(1) In these Rules “family” means—

- (a) a couple;
- (b) 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
- (c) 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.

(2) The references to a child or young person in sub-paragraph (1)(b) and (c) 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).

(3) The references to a young person in paragraph (1)(b) and (c) do not include a young person who is—

- (a) on income support, an income-based jobseeker’s allowance or an income-related employment and support allowance;
- (b) a person to whom section 6 of the Children (Leaving Care) Act 2000 (exclusion from benefits) applies; or
- (c) entitled to an award of Universal Credit.

### **Circumstances in which a person is to be treated as responsible or not responsible for another**

**29.**—(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 rule 28(2) applies.

(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 (1) as normally living with—

- (a) the person who is receiving child benefit in respect of that child or young person, or
  - (b) 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.
- (3) For the purposes of these Rules 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 rule is to be treated as not so responsible.

### **Households**

**30.**—(1) Subject to paragraphs (2) and (3), an applicant and any partner and, where the applicant or his partner is treated (by virtue of rule 29) 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.

(2) A child or young person is not to be treated as a member of the applicant's household where he is—

- (a) 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
- (b) placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
- (c) placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002, the Adoption Agencies (Scotland) Regulations 2009 or the Adoption (Northern Ireland) Order 1987.

(3) Subject to paragraph (4), paragraph (1) does not apply to a child or young person who is not living with the applicant and who—

- (a) is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
- (b) has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or
- (c) has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009.

(4) The authority must treat a child or young person to whom paragraph (3)(a) applies as being a member of the applicant's household in any reduction week where—

- (a) that child or young person lives with the applicant for part or all of that reduction week; and

(b) 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.

(5) In this rule “**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; and
- (p) the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

## **Part 5 – How Your Income and Capital is Worked Out**

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

**31.**—(1) The income and capital of—

- (a) an applicant; and
- (b) any partner of that applicant,

is to be calculated in accordance with the provisions of this Part.

(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 Part any reference to the applicant applies equally to any partner of the applicant.

(3) Where an applicant or the partner of an applicant is married polygamously to two or more members of his household—

- (a) the applicant must be treated as possessing capital and income belonging to each such member; and
- (b) the income and capital of that member must be calculated in accordance with the following provisions of this Part in like manner as for the applicant.

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

**32.**—(1) Sub-paragraph (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 the authority's scheme and the non-dependant has more income and capital than the applicant.

(2) Except where the applicant is on a guarantee credit 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 must be disregarded.

(3) Where an applicant is treated as possessing income and capital belonging to a non-dependant under sub-paragraph (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.

## **Income**

### **Applicant in receipt of guarantee credit**

**33.** In the case of an applicant who is in receipt, or whose partner is in receipt, of a guarantee credit, the whole of his capital and income must be disregarded.

### **Calculation of applicant’s income in savings credit only cases**

**34.—(1)** In determining the income and capital of an applicant who has, or whose partner has, an award of state pension credit comprising only the savings credit, subject to the following provisions of this paragraph, the authority must use the calculation or estimate of the applicant’s or as the case may be, the applicant’s partner’s income and capital made by the Secretary of State for the purpose of determining the award of state pension credit.

(2) Where the calculation or estimate provided by the Secretary of State includes the amount taken into account in that determination in respect of net income, the authority may only adjust that amount so far as necessary to take into account—

(a) the amount of any savings credit payable;

(b) in respect of any dependent children of the applicant, child care charges taken into account under rule 44(1)(c) (calculation of income on a weekly basis);

(c) the higher amount disregarded under this Part in respect of—

(i) lone parent’s earnings; or

(ii) payments of maintenance, whether under a court order or not, which are made or due to be made by—

(aa) the applicant’s former partner, or the applicant’s partner’s former partner; or

(bb) the parent of a child or young person where that child or young person is a member of the applicant’s family except where that parent is the applicant or the applicant’s partner;

(d) any amount to be disregarded by virtue of rule 60(1) (sums disregarded from earnings);

(e) the income and capital of any partner of the applicant who is treated as a member of the applicant’s household under rule 30, to the extent that it is not taken into account in determining the net income of the person claiming state pension credit;



- (f) rule 32 (circumstances in which income of a non-dependant is to be treated as applicant's), if the authority determines that that provision applies in the applicant's case;
- (g) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act;
- (h) any amount to be disregarded by virtue of rule 56.

(3) Rules 36 to 50 and 86 to 91 do not apply to the amount of the net income to be taken into account under sub-paragraph (1), but do apply (so far as relevant) for the purpose of determining any adjustments to that amount which the authority makes under sub-paragraph (2).

(4) If sub-paragraph (5) applies, the authority must calculate the applicant's capital in accordance with rules 86 to 91.

(5) This sub-paragraph applies if—

- (a) the Secretary of State notifies the authority that the applicant's capital has been determined as being £16,000 or less;
- (b) subsequent to that determination the applicant's capital rises to more than £16,000; and
- (c) the increase occurs whilst there is in force an assessed income period within the meaning of sections 6 and 9 of the State Pension Credit Act 2002.

### **Calculation of income and capital where state pension credit is not payable**

**35.** Where neither rule 33 (applicant in receipt of guarantee credit) nor 34 (calculation of income in savings credit only cases) applies in the applicant's case, his income and capital is to be calculated or estimated in accordance with rules 36 to 41, 44, 45, 47 to 49 and rules 86 to 92 of this Part.

### **Meaning of "income"**

**36.—**(1) For the purposes of classes A to C, "income" means income of any of the following descriptions—

- (a) earnings;
- (b) working tax credit;
- (c) retirement pension income within the meaning of the State Pension Credit Act 2002;
- (d) income from annuity contracts (other than retirement pension income);
- (e) a war disablement pension or war widow's or widower's pension;
- (f) a foreign war disablement pension or war widow's or widower's pension;
- (g) a guaranteed income payment;
- (h) a payment made under article 29(1)(c) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011, in any case where article 31(2)(c) applies;
- (i) income from capital other than capital disregarded under rules 93 to 121 (capital disregards);
- (j) social security benefits, other than retirement pension income or any of the following benefits—

- (zi) universal credit;
  - (i) disability living allowance;
  - (ii) personal independence payment;
  - (iii) an AFIP;
  - (iv) attendance allowance payable under section 64 of the SSCBA;
  - (v) an increase of disablement pension under section 104 or 105 of that Act;
  - (vi) child benefit;
  - (vii) any guardian's allowance payable under section 77 of the SSCBA;
  - (viii) any increase for a dependant, other than the applicant's partner, payable in accordance with Part 4 of that Act;
  - (ix) any—
    - (aa) social fund payment made under Part 8 of that Act, or
    - (bb) occasional assistance;
  - (x) Christmas bonus payable under Part 10 of that Act;
  - (xi) housing benefit;
  - (xii) council tax benefit;
  - (xiii) bereavement support payment under section 30 of the Pensions Act 2014;
  - (xiv) statutory sick pay;
  - (xv) statutory maternity pay;
  - (xvi) statutory paternity pay payable under Part 12ZA of the SSCBA;
  - (xvii) statutory shared parental pay under Part 12ZC of that Act;
  - (xviii) statutory parental bereavement pay under Part 12ZD of the Act;
  - (xix) statutory adoption pay payable under Part 12ZB of that Act;
  - (xx) carer's allowance supplement payable under section 81 of the Social Security (Scotland) Act 2018.
  - (xxi) early years assistance given in accordance with section 32 of the Social Security (Scotland) Act 2018;
  - (xxii) funeral expense assistance given in accordance with section 34 of that Act;
  - (xxiii) any Scottish child payment assistance given in accordance with section 79 of that Act;
  - (xxiv) any assistance given in accordance with the Carer's Assistance (Young Carer Grants) (Scotland) Regulations 2019;
  - (xxv) short-term assistance given in accordance with regulations under section 36 of the Social Security (Scotland) Act 2018;
  - (xxvi) winter heating assistance given in accordance with regulations under section 30 of that Act;
  - (xxvii) any benefit similar to those mentioned in the preceding provisions of this paragraph payable under legislation having effect in Northern Ireland;
- (k) all foreign social security benefits which are similar to the social security benefits mentioned above;
- (l) a payment made—
- (i) under article 30 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006, in any case where article 30(1)(b) applies; or

- (ii) under article 12(8) of that Order, in any case where sub-paragraph (b) of that article applies;
- (m) a pension paid by a government to victims of National Socialist persecution;
- (n) payments under a scheme made under the Pneumoconiosis etc (Workers' Compensation) Act 1979;
- (o) payments made towards the maintenance of the applicant by his spouse, civil partner, former spouse or former civil partner or towards the maintenance of the applicant's partner by his spouse, civil partner, former spouse or former civil partner, including payments made—
  - (i) under a court order;
  - (ii) under an agreement for maintenance; or
  - (iii) voluntarily;
- (p) payments due from any person in respect of board and lodging accommodation provided by the applicant;
- (q) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;
- (r) 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;
- (s) any payment, other than a payment ordered by a court or made in settlement of a claim, made by or on behalf of a former employer of a person on account of the early retirement of that person on grounds of ill-health or disability;
- (t) any sum payable by way of pension out of money provided under—
  - (i) the Civil List Act 1837,
  - (ii) the Civil List Act 1937,
  - (iii) the Civil List Act 1952,
  - (iv) the Civil List Act 1972, or
  - (v) the Civil List Act 1975;
- (u) any income in lieu of that specified in paragraphs (a) to (r);
- (v) any payment of rent made to an applicant who—
  - (i) owns the freehold or leasehold interest in any property or is a tenant of any property;
  - (ii) occupies part of the property; and
  - (iii) has an agreement with another person allowing that person to occupy that property on payment of rent;
- (w) any payment made at regular intervals under an equity release scheme;
- (x) PPF periodic payments within the meaning of section 17(1) of the State Pension Credit Act 2002.

(2) Where the payment of any social security benefit referred to in sub-paragraph (1) or retirement pension income to which section 16(1)(za) to (e) of the State Pension Credit Act 2002 applies is subject to any deduction (other than an adjustment specified in sub-paragraph (4)) the amount to be taken into account under sub-paragraph (1) is to be the amount before the deduction is made.

(3) Where an award of any working tax credit or child tax credit 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 sub-paragraph (1) shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

(4) The adjustments specified in this paragraph are those made in accordance with—

- (a) the Social Security (Overlapping Benefits) Regulations 1979;
- (b) the Social Security (Hospital In-Patients) Regulations 1975;
- (c) section 30DD or section 30E of the SSCBA (reductions in incapacity benefit in respect of pensions and councillor's allowances);
- (d) section 3 of the Welfare Reform Act 2007 (deductions from contributory employment and support allowance in respect of pensions and councillor's allowances) and regulations made under it;
- (e) section 14 of the Pensions Act 2014 (pension sharing: reduction in sharer's section 4 pension);
- (f) section 45B or 55B of the Social Security Contributions and Benefits Act 1992 (reduction in additional pension in Category A retirement pension and shared additional pension: pension sharing).

(5) In sub-paragraph (1)—

- (a) in paragraph (w) an **"equity release scheme"** means a loan—
  - (i) made between a person ("the lender") and the applicant;
  - (ii) by means of which a sum of money is advanced by the lender to the applicant by way of payments at regular intervals; and
  - (iii) which is secured on a dwelling in which the applicant owns an estate or interest and which he occupies as his home; and
- (b) in paragraph (J)(ix) **"occasional assistance"** means any payment or provision made by a local authority, the Welsh Ministers or the Scottish Ministers for the purposes of—
  - (i) meeting, or helping to meet an immediate short-term need—
    - (aa) arising out of an exceptional event or exceptional circumstances, and
    - (bb) that needs to be met to avoid a risk to the well-being of an individual; or
  - (ii) enabling qualifying individuals to establish or maintain a settled home, and **"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.

(6) In sub-paragraph (5)(b) **"local authority"** means a local authority in England within the meaning of the Local Government Act 1972.

### **Calculation of weekly income**

**37.—**(1) Except in a case within sub-paragraph (2), (3A) or (4), (4A) or (5) for the purposes of calculating the weekly income of an applicant, where the period in respect of which payment is made—

- (a) does not exceed a week, the whole of that payment must be included in the applicant's weekly income;
- (b) exceeds a week, the amount to be included in the applicant's weekly income 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 a case where that period is three months, by multiplying the amount of the payment by 4 and dividing the product by 52;
  - (iii) in a case where that period is a year, by dividing the amount of the payment by 52;
  - (iv) in any other case, by multiplying the amount of the payment by 7 and dividing the product by the number of days in the period in respect of which it is made.

- (2) Sub-paragraph (3) applies where—
- (a) the applicant's regular pattern of work is such that he does not work the same hours every week; or
- (b) the amount of the applicant's income fluctuates and has changed more than once.

- (3) The weekly amount of that applicant's income is to be determined—
- (a) if, in a case to which sub-paragraph (2)(a) applies, there is a recognised cycle of work, by reference to his average weekly income over the period of the complete cycle (including, where the cycle involves periods in which the applicant does no work, those periods but disregarding any other absences); or
- (b) in any other case, on the basis of—
- (i) the last two payments if those payments are one month or more apart;
  - (ii) the last four payments if the last two payments are less than one month apart; or
  - (iii) calculating or estimating such other payments as may, in the particular circumstances of the case, enable the applicant's average weekly income to be determined more accurately.

- (3A) Income calculated pursuant to sub-paragraphs (2) and (3) must be taken into account –
- (a) in the case of an application, on the same date on which the application was made or treated as made, and the first day of each reduction week thereafter;
- (b) 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
- (c) 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.

(4) For the purposes of sub-paragraph (3)(b) the last payments are the last payments before the date the application was made or treated as made.

(4A) An applicant's earnings from employment as an employed earner not calculated pursuant to sub-paragraphs (2) and (3) must be taken into account

—

(a) in the case of an application, on the date on which the application was made, and the first day of each reduction week thereafter;

(b) in the case of an application or a reduction under the 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

(c) 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 of the change, and the beginning of each reduction week thereafter,

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

(5) If the applicant is entitled to receive a payment to which sub-paragraph (6) applies, the amount of that payment is to be treated as if made in respect of a period of a year.

(6) This sub-paragraph applies to—

(a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;

(b) 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; and

(c) any payment which is made on an occasional basis.

(7) The period under 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.

(8) Where payments are made in a currency other than Sterling, the value of the payment is to be determined by taking the Sterling equivalent on the date the payment is made.

(9) The sums specified in rules 51 to 61 (sums disregarded from earnings) are to be disregarded in calculating—

(a) an applicant's earnings; and

(b) any amount to which sub-paragraph (6) applies where an applicant is the first owner of the copyright, design, patent or trademark, or an original contributor to the book or work referred to in sub-paragraph (6)(b).

(10) For the purposes of sub-paragraph (9)(b), and for that purpose only, the amounts specified in sub-paragraph (6) are to be treated as though they were earnings.

(11) Income specified in rules 62 to 85 (amount disregarded in calculation of amounts other than earnings) is to be disregarded in the calculation of an applicant's income.

(12) Rules 93 to 125 (capital disregards) has effect so that—

(a) the capital specified in rules 93 to 121 is disregarded for the purpose of determining an applicant's income; and

(b) the capital specified in rules 122 to 125 is disregarded for the purpose of determining an applicant's income under rule 92 (calculation of tariff income from capital).

(13) In the case of any income taken into account for the purpose of calculating a person's income any amount payable by way of tax is disregarded.

### **Earnings of employed earners**

**38.**—(1) Subject to sub-paragraph (2), “earnings” in the case of employment as an employed earner, means any remuneration or profit derived from that employment and includes—

(a) any bonus or commission;

(b) 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;

(c) any payment in lieu of notice;

(d) any holiday pay;

(e) any payment by way of a retainer;

(f) 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;

(g) 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;

(h) statutory sick pay payable by the employer under the SSCBA;

(i) statutory maternity pay payable by the employer under that Act;

(j) statutory paternity pay payable under Part 12ZA of that Act;

(k) statutory shared parental pay under Part 12ZC of that Act;

(l) statutory parental bereavement pay under Part 12ZD OF THAT Act;

(m) statutory adoption pay payable under Part 12ZB of that Act;

(n) any sums payable under a contract of service—

- (i) for incapacity for work due to sickness or injury; or
- (ii) by reason of pregnancy or confinement.

(2) Earnings does not include—

- (a) subject to sub-paragraph (3), any payment in kind;
- (b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;
- (c) any occupational pension;
- (d) any lump sum payment made under the Iron and Steel Re-adaptation Benefits Scheme;
- (e) any payment of compensation made pursuant to an award by an employment tribunal established under the Employment Tribunals Act 1996 in respect of unfair dismissal or unlawful discrimination;
- (f) any payment in respect of expenses arising out of the applicant participating as a service user.

(3) Sub-paragraph (2)(a) does not apply in respect of any non-cash voucher referred to in subparagraph (1)(g).

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

**39.**—(1) For the purposes of rule 44 (calculation of income on a weekly basis), 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 rule 37(5) and rules 51 to 61 (sums disregarded from earnings), be his net earnings.

(2) For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (5) applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less—

- (a) any amount deducted from those earnings by way of—
  - (i) income tax;
  - (ii) primary Class 1 contributions under the SSCBA;
- (b) one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- (c) one-half of the amount calculated in accordance with sub-paragraph (4) in respect of any qualifying contribution payable by the applicant; and
- (d) 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, statutory shared parental pay, statutory parental bereavement 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.

(3) In this rule “**qualifying contribution**” means any sum which is payable periodically as a contribution towards a personal pension scheme.

(4) 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—

- (a) where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
- (b) 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.

(5) Where the earnings of an applicant are determined under rule 37(2)(b) (calculation of weekly income) his net earnings are to be calculated by taking into account those earnings over the assessment period, less—

(a) 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 section 35, 36, or 37 of the Income Tax Act 2007 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 sub-paragraph is to be calculated on a pro rata basis;

(b) 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

(c) 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.

### **Calculation of earnings of self-employed earners**

**40.**—(1) Where the earnings of an applicant consist of earnings from employment as a self-employed earner, the weekly amount of his earnings must be determined by reference to his average weekly earnings from that employment—

(a) over a period of one year; or

(b) where the applicant has recently become engaged in that employment or there has been a change which is likely to affect the normal pattern of business, over such other period (“computation period”) as may, in the particular case, enable the weekly amount of his earnings to be determined more accurately.

(2) For the purposes of determining the weekly amount of earnings of an applicant to whom sub-paragraph (1)(b) applies, his earnings over the computation period are to be divided by the number equal to the number of days in that period and the product multiplied by 7.

(3) The period over which the weekly amount of an applicant’s earnings is calculated in accordance with this paragraph will be his assessment period.

### **Earnings of self-employers earners**

**41.**—(1) Subject to sub-paragraph (2), “earnings”, in the case of employment as a self-employed earner, means the gross income of the employment.

(2) “Earnings” in the case of employment as a self-employed earner does not include—

(a) where an applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation for which payment is made, those payments;

(b) any payment made by a local authority to an applicant—

(i) with whom a person is accommodated by virtue of arrangements made under sections 22C or 23(2)(a) of the Children Act 1989 or, as the case may be, section 26 or 26A of the Children (Scotland) Act 1995; or

(ii) with whom a local authority fosters a child under the Looked After Children (Scotland) Regulations 2009 or who is a kinship carer under those Regulations;

(c) any payment made by a voluntary organisation in accordance with section 59(1)(a) of the Children Act 1989;

(d) 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—

(i) a local authority but excluding payments of housing benefit made in respect of the person concerned;

(ii) a voluntary organisation;

(iii) the person concerned where the payment is for the provision of accommodation in respect of the meeting of that person’s needs under section 18 or 19 of the Care Act 2014 (duty and power to meet needs for care and support);

(iv) the National Health Service Commissioning Board or a clinical commissioning group established under section 14D of the National Health Service Act 2006;

(v) a Local Health Board established by an order made under section 11 of the National Health Service (Wales) Act 2006; or

(vi) the persons concerned where the payment is for the provision of accommodation to meet that person’s needs for care and support under section 36 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);

(e) any payment or part 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

(iii) Continues to live with the applicant;

(f) 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);

(g) any sports award.

### **Notional income**

**42.**—(1) An applicant is to be treated as possessing—

(a) subject to sub-paragraph (2), the amount of any retirement pension income—

(i) for which no claim has been made; and

(ii) to which he might expect to be entitled if a claim for it were made;

(b) income from an occupational pension scheme which the applicant elected to defer.

(2) Sub-paragraph (1)(a) does not apply to the following where entitlement has been deferred—

(a) a Category A or Category B retirement pension payable under sections 43 to 55 of the SSCBA;

(b) a shared additional pension payable under section 55A or 55AA of the SSCBA;

(c) graduated retirement benefit payable under sections 36 and 37 of the National Insurance Act 1965;

(d) a state pension under Part 1 of the Pensions Act 2014.

(3) For the purposes of sub-paragraph (2), entitlement has been deferred—

(a) in the case of a Category A or Category B pension, in the circumstances specified in section 55(3) of the SSCBA;

(b) in the case of a shared additional pension, in the circumstances specified in section 55C(3) of the SSCBA;

(c) in the case of graduated retirement benefit, in the circumstances specified in section 36(4) and (4A) of the National Insurance Act 1965;

(d) in the case of a state pension under Part 1 of the Pensions Act 2014, in the circumstances specified in section 17(7) and (8) of the Act.

(4) This sub-paragraph applies where a person who has attained the qualifying age for state pension credit—

(a) is entitled to money purchase benefits under an occupational pension scheme or a personal pension scheme;

(b) fails to purchase an annuity with the funds available in that scheme; and

(c) either—

(i) defers in whole or in part the payment of any income which would have been payable to him by his pension fund holder, or

(ii) fails to take any necessary action to secure that the whole of any income which would be payable to him by his pension fund holder upon his applying for it, is so paid, or

(iii) income withdrawal is not available to him under that scheme.

(5) Where sub-paragraph (4) applies, the amount of any income foregone is to be treated as possessed by that person, but only from the date on which it could be expected to be acquired were an application for it to be made.

(6) The amount of any income foregone in a case where sub-paragraph (4)(c)(i) or (ii) applies is to be the rate of annuity which may have been purchased with the fund and must be determined by the authority, taking account of information provided by the pension fund holder.

(7) The amount of any income foregone in a case where sub-paragraph (4)(c)(iii) applies is to be the income that the applicant could have received

without purchasing an annuity had the funds held under the relevant scheme been held under a personal pension scheme or occupational pension scheme where income withdrawal was available and is to be determined in the manner specified in sub-paragraph (6).

(8) In sub-paragraph (4), “**money purchase benefits**” has the same meaning as in the Pensions Scheme Act 1993.

(9) Subject to sub-paragraphs (10) (11A), (11B) and (12), a person will be treated as possessing income of which he has deprived himself for the purpose of securing entitlement to a reduction under the authority’s scheme or increasing the amount of the reduction.

(10) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension or benefit where a person, having made an election in favour of that increase of pension or benefit under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005, changes that election in accordance with regulations made under Schedule 5 or 5A to that Act in favour of a lump sum.

(11) In sub-paragraph (10), “**lump sum**” means a lump sum under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005.

(11A) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension where a person, having made a choice in favour of that increase of pension under section 8(2) of the Pensions Act 2014, alters that choice in accordance with regulations made under section 8(7) of that Act in favour of a lump sum.

(11B) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension where a person, having made a choice in favour of that increase of pension in accordance with Regulations made under section 10 of the Pensions Act 2014, which include provision corresponding or similar to section 8(2) of that Act, alters that choice in favour of a lump sum, in accordance with Regulations made under section 10 of that Act, which include provision corresponding or similar to Regulations made under section 8(7) of that Act.

(11C) In sub-paragraph (11A), “lump sum” means a lump sum under section 8 of the Pensions Act 2014.

(11D) In sub-paragraph (11B), “lump sum” means a lump sum under Regulations made under section 10 of the Pensions Act 2014 which include provision corresponding or similar to section 8 of that Act.

(12) Sub-paragraph (9) does 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.

(13) 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 apply, to the date on which the altered rate is to take effect.

(14) In the case of an applicant who has, or whose partner has, an award of state pension credit comprising only the savings credit, where the authority treats the applicant as possessing any benefit at the altered rate in accordance with paragraph (13), the authority must—

(a) determine the income and capital of that applicant in accordance with rule 34(1) (calculation of applicant's income in savings credit only cases) where the calculation or estimate of that income and capital is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter; and

(b) treat that applicant as possessing such income and capital at the altered rate by reference to the date selected by the authority to apply in its area, for the purposes of establishing the period referred to in sub-paragraph (13).

(15) For the purposes of sub-paragraph (9), a person is not to be regarded as depriving himself of income where—

(a) his rights to benefits under a registered pension scheme are extinguished and in consequence of this he receives a payment from that scheme, and

(b) that payment is a trivial commutation lump sum within the meaning given by paragraph 7 of Schedule 29 to the Finance Act 2004.

(16) In sub-paragraph (15), “**registered pension scheme**” has the meaning given in section 150(2) of the Finance Act 2004.

### **Income paid to third parties**

**43.—**(1) Any payment of income, other than a payment specified in sub-paragraph (2) or (3), to a third party in respect of an applicant is to be treated as possessed by the applicant.

(2) Sub-paragraph (1) does not apply in respect of a payment of income made 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) 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;

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

(c) the person referred to in paragraph (a) and his partner do not possess, or are not treated as possessing, any other income apart from that payment.

(3) Sub-paragraph (1) does not apply in respect of any payment of income other than earnings, or earnings derived from employment as an employed earner, arising out of the applicant participating as a service user.

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

**44.**—(1) Subject to rule 48 (disregard of changes in tax, etc), the income of an applicant is to be calculated on a weekly basis—

(a) by estimating the amount which is likely to be his average weekly income in accordance with this Part;

(b) by adding to that amount the weekly income calculated under rule 92 (calculation of tariff income from capital); and

(c) deducting from the sum of paragraphs (a) and (b) any relevant child care charges to which rule 45 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in sub-paragraph (2) are met, from those earnings plus whichever credit specified in paragraph (b) of that sub-paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in sub-paragraph (3) applies in his case.

(2) The conditions of this paragraph are that—

(a) the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in paragraph (3) otherwise applies in his case; and  
(b) 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.

(3) The maximum deduction to which sub-paragraph (1)(c) refers is to be—

(a) where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week;

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

### **Treatment of child care charges**

**45.**—(1) This paragraph applies where an applicant is incurring relevant child care charges and—

(a) is a lone parent and is engaged in remunerative work;

(b) is a member of a couple both of whom are engaged in remunerative work;  
or

(c) 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).

(2) For the purposes of sub-paragraph (1) and subject to sub-paragraph (4), a person to whom sub-paragraph (3) applies must be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he—

(a) is paid statutory sick pay;

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

(c) is paid an employment and support allowance;

(d) 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

(e) 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.

(3) This sub-paragraph applies to a person who was engaged in remunerative work immediately before—

(a) 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

(b) the first day of the period in respect of which earnings are credited, as the case may be.

(4) In a case to which sub-paragraph (2)(d) or (e) 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.

(5) Relevant child care charges are those charges for care to which sub-paragraphs (6) and (7) apply, and are to be calculated on a weekly basis in accordance with sub-paragraph (9).

(6) The charges are paid by the applicant for care which is provided—

(a) 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

(b) 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.

(7) The charges are paid for care which is provided by one or more of the care providers listed in sub-paragraph (8) and are not paid—

(a) in respect of the child's compulsory education;

(b) 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 rule 29 (circumstances in which a person is treated as responsible or not responsible for another); or

(c) in respect of care provided by a relative of the child wholly or mainly in the child's home.

(8) The care to which sub-paragraph (7) refers may be provided—

(a) 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
- (b) by a child care provider approved in accordance with the Tax Credit (New Category of Child Care Provider) Regulations 1999; or
- (c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
- (d) 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
- (e) 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
- (f) by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002; or
- (g) by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
- (h) 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
- (i) 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
- (j) 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
- (k) by a foster parent or kinship carer under the Fostering Services (England) 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
- (l) 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 by a person who is employed, or engaged under a contract for services, to provide care and support by the provider of a domiciliary support service within the meaning of Part 1 of the regulation and Inspection of Social Care (Wales) Act 2016; or
- (m) by a person who is not a relative of the child wholly or mainly in the child’s home.



(9) Relevant child care charges are to 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.

(10) For the purposes of sub-paragraph (1)(c) the other member of a couple is incapacitated where—

(a) he is aged not less than 80;

(b) he is aged less than 80, and—

(i) an additional condition specified in rule 46 is treated as applying in his case; and

(ii) he satisfies that condition 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;

(c) the other member of the couple would be a member of the support group or by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2013;

(d) 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;

(e) 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 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;

(f) 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;

(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;

(g) a pension or allowance or payment to which sub-paragraph (v), (vii) or (viii) of paragraph (f) 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; (h) 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 made under section 113(2) of the SSCBA; or

(ii) an abatement as a consequence of hospitalisation;

(i) 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);

(j) an AFIP would be payable to that person but for a 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.

(k) paragraph (f), (g), (h) or (i) 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

(l) 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.

(11) For the purposes of sub-paragraph (10), once sub-paragraph (10)(d) 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 paragraph is to, 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.

(12) For the purposes of sub-paragraph (10), once sub-paragraph (10)(e) 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 to, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter apply to him for so long as he has, or is treated as having, limited capability for work.

(13) For the purposes of sub-paragraphs (6) and (8)(a), a person is disabled if he is a person—

(a) to whom an attendance allowance or 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;

(b) 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);

(c) who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 (welfare services) or as severely sight-impaired in a register kept under section 77(1) of the Care Act 2014 (registers of sight-impaired adults) 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

(d) who ceased to be registered as blind or severely sight-impaired 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.

(14) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave, shared parental leave, parental bereavement leave or adoption leave is to be treated as if he is engaged in remunerative work for the period specified in sub-paragraph (15) ("the relevant period") provided that—

(a) in the week before the period of maternity leave, paternity leave, shared parental leave, shared bereavement leave or adoption leave began he was in remunerative work;

(b) the applicant is incurring relevant child care charges within the meaning of sub-paragraph (5); and

(c) he is entitled to either statutory maternity pay under section 164 of the SSCBA, statutory paternity pay by virtue of section 171ZA or 171ZB of that Act, statutory adoption pay by virtue of section 171ZL of that Act, maternity allowance under section 35 of that Act, statutory shared parental pay by virtue of section 171ZU, statutory parental bereavement pay by virtue of section 171ZZ6 of that Act or 171ZV of that Act or qualifying support.

(15) For the purposes of sub-paragraph (14) the relevant period begins on the day on which the person's maternity, paternity leave, shared parental leave, parental bereavement leave or adoption leave commences and ends on—

(a) the date that leave ends;

(b) if no child care 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, statutory shared parental pay, statutory parental bereavement pay or statutory adoption pay ends, the date that entitlement ends; or

(c) 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, statutory shared parental pay, statutory parental bereavement 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 shall occur first.

(16) In sub-paragraphs (14) and (15)—

(a) “**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

(b) “**child care element**” of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act 2002 (child care element).

(17) In sub-paragraphs (6), (8)(a) and (13)(d), “**the first Monday in September**” means the Monday which first occurs in the month of September in any year.

**Additional condition referred to in rule 45(10)(b)(i): disability**

**46.**—(1) Subject to sub-paragraph (2) the additional condition referred to in rule 45(10)(b)(i) is that either—

(a) the applicant or, as the case may be, the other member of the couple—

(i) is in receipt of one or more of the following benefits: attendance allowance, disability living allowance, personal independence payment, an AFIP, the disability element or the severe disability element of working tax credit as specified in regulation 20(1)(b) and (f) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002, mobility supplement, long-term incapacity benefit under Part 2 of the SSCBA or severe disablement allowance under Part 3 of that Act but, in the case of long-term incapacity benefit or severe disablement allowance under Part 3 of that Act but, in the case of long-term incapacity benefit or severe disablement allowance, only where it is paid in respect of him; or

(ii) was in receipt of long-term incapacity benefit under Part 2 of the SSCBA when entitlement to that benefit ceased on account of the payment of a retirement pension under that Act or a state pension under Part 1 of the Pensions Act 2014 and the applicant has since remained continuously entitled to council tax benefit (for the period prior to 1st April 2013) or a reduction under the authority’s scheme (for the period on or after 1st April 2013) and, if the long-term incapacity benefit was payable to his partner, the partner is still a member of the family; or

(iii) was in receipt of attendance allowance or disability living allowance but payment of benefit has been suspended in accordance with regulations made under section 113(2) of the SSCBA or otherwise abated as a consequence of the applicant or his partner becoming a patient within the meaning of rule 45(10)(g) (treatment of childcare charges); or

(iv) was in receipt of personal independence payment, but payment of that benefit has been suspended in accordance with section 86 of the Welfare Reform Act 2012 as a consequence of the applicant becoming a patient within the meaning of rule 45(10)(g); or

(v) was in receipt of an AFIP but its payment has been suspended 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; or

(vi) is provided by the Secretary of State or a clinical commissioning group with an invalid carriage or other vehicle under paragraph 9 of Schedule 1 to the National Health Service Act 2006 or, in Scotland, under section 46 of the National Health Service (Scotland) Act 1978 (provision of services by Scottish Ministers) or receives payments by way of grant from the Secretary of State under paragraph 10(3) of Schedule 1 to the Act of 2006 or, in Scotland, by Scottish Ministers under section 46 of the Act of 1978; or

(vii) is blind and in consequence registered in a register compiled by a local authority in Wales under section 29 of the National Assistance Act 1948 (welfare services) or is registered as severely sight-impaired in a register kept by a local authority in England under section 77(1) of the Care Act 2014 (registers of sight-impaired adults) or in Scotland, has been certified as blind and in consequence he is registered in a register maintained by or on behalf of a council constituted under section Government (Scotland) Act 1994; or

(b) the applicant, or as the case may be, the other member of the couple—

(i) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under Part 12A of the SSCBA (incapacity for work); and

(ii) has been incapable, or has been treated as incapable, of work for a continuous period of not less than—

(aa) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the SSCBA, 196 days;

(bb) in any other case, 364 days.

(2) For the purposes of sub-paragraph (1)(a)(vii), a person who has ceased to be registered as blind or severely sight-impaired on regaining his eyesight is nevertheless to be treated as such and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which he ceased to be so registered.

(3) For the purposes of sub-paragraph (1)(b), where any two or more periods of incapacity are separated by a break of not more than 56 days, those periods must be treated as one continuous period.

(4) For the purposes of this paragraph, a reference to a person who is or was in receipt of long-term incapacity benefit includes a person who is or was in receipt of short-term incapacity benefit at a rate equal to the long-term rate by virtue of Section 30B(4)(a) of the SSCBA (short-term incapacity benefit for a person who is terminally ill), or who would be or would have been in receipt of short-term incapacity benefit at such a rate but for the fact that the short-term incapacity benefit already payable to him is or was equal or greater than the long-term rate.

(5) In the case of a person who is a welfare to work beneficiary (a person to whom regulation 13A(1) of the Social Security (Incapacity for Work) (General) Regulations 1995 applies, and who again becomes incapable of work for the purposes of Part 12A of the SSCBA) the reference to a period of 56 days in sub-paragraph (3) must be treated as a reference to a period of 104 weeks.

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

**47.**—(1) This paragraph applies where an applicant receives a tax credit.

(2) Where this paragraph applies, the period over which tax credit is to be taken into account is the period set out in sub-paragraph (3).

(3) Where the instalment in respect of which payment of a tax credit is made is—

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

(b) a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;

(c) a two weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;

(d) a four weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

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

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

**48.** In calculating the applicant’s income the authority may disregard any legislative change—

(a) in the basic or other rates of income tax;

(b) in the amount of any personal tax relief;

(c) in the rates of national insurance contributions payable under the SSCBA 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);

(d) 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 or a state pension under Part 1 of the Pensions Act 2014;

(e) 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.

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

**49.**—(1) For the purposes of rule 44 (calculation of income on a weekly basis) the earnings of an applicant to be taken into account are—

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

(b) in the case of a self-employed earner 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 rule 50 (deduction of tax and contributions of self-employed earners);

and

(ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium;

(2) For the purposes of sub-paragraph (1)(a) the net profit of the employment must, except where sub-paragraph (8) applies, be calculated by taking into account the earnings of the employment over the assessment period less—

- (a) subject to sub-paragraphs (4) to (7), any expenses wholly and exclusively incurred in that period for the purposes of that employment;
- (b) an amount in respect of—
  - (i) income tax; and
  - (ii) national insurance contributions payable under the SSCBA, calculated in accordance with rule 50; and
- (c) one-half of the amount calculated in accordance with sub-paragraph (10) in respect of any qualifying premium.

(3) For the purposes of sub-paragraph (1)(b) 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 sub-paragraphs (4) to (7), any expenses wholly and exclusively incurred in that period for the purposes of the employment.

(4) Subject to sub-paragraph (5), no deduction is to be made under sub-paragraph (2)(a) or (3), in respect of—

- (a) any capital expenditure;
- (b) the depreciation of any capital asset;
- (c) any sum employed or intended to be employed in the setting up or expansion of the employment;
- (d) any loss incurred before the beginning of the assessment period;
- (e) the repayment of capital on any loan taken out for the purposes of the employment; and
- (f) any expenses incurred in providing business entertainment.

(5) A deduction must be made under sub-paragraph (2)(a) or (3) in respect of the repayment of capital on any loan used for—

- (a) the replacement in the course of business of equipment or machinery; or
- (b) the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.

(6) The authority must refuse to make a deduction in respect of any expenses under sub-paragraph (2)(a) or (3) where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.

(7) For the avoidance of doubt—

- (a) a deduction must not be made under sub-paragraph (2)(a) or (3) in respect of any sum unless it has been expended for the purposes of the business;
- (b) 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.

(8) 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—

(a) an amount in respect of—

(i) income tax; and

(ii) national insurance contributions payable under the SSCBA, calculated in accordance with rule 50; and

(b) one-half of the amount calculated in accordance with sub-paragraph (10) in respect of any qualifying premium.

(9) 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.

(10) 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 is to be determined—

(a) where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and dividing the product by 365;

(b) 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.

(11) 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 claim.

### **Calculation of deduction of tax and contributions of self-employed earners**

**50.**—(1) The amount to be deducted in respect of income tax under rule 49(1)(b)(i), (2)(b)(i) or (8)(a)(i) (calculation of net profit of self-employed earners) is to be calculated—

(a) on the basis of the amount of chargeable income; and

(b) as if that income were assessable to income tax at the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under section 35, 36 or 37 of the Income Tax Act 2000 (personal allowances) as is appropriate to his circumstances.

(2) 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 reliefs deductible under this paragraph must be calculated on a pro rata basis.

(3) The amount to be deducted in respect of national insurance contributions under rule 49(1)(b)(i), (2)(b)(ii) or (8)(a)(ii) is the total of—

(a) the amount of Class 2 contributions payable under section 11(2) or, as the case may be, 11(8) 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

(b) 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.

(4) In this paragraph "**chargeable income**" means—

(a) except where paragraph (b) applies, the earnings derived from the employment less any expenses deducted under sub-paragraph (3)(a) or, as the case may be, (3) of rule 49;

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

## **Income Disregards**

### **Earnings**

**51.** Where two or more of rules 52 to 55 apply in any particular case the overall maximum sum which falls to be disregarded in that case under those paragraphs is restricted to—

(a) £25 in the case of a lone parent;

(b) £20 in any other case.

**52.** In a case where an applicant is a lone parent, £25 of earnings.

**53.—**(1) In a case of earnings from any employment or employments to which sub-paragraph (2) applies, £20.

(2) This paragraph applies to employment—

(a) as 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;

(ab) as a part-time fire-fighter employed by a fire and rescue authority created by an order under section 4A of the Fire and Rescue Services Act 2004;

(b) a part-time fire-fighter employed by the Scottish Fire and Rescue Service established under section 1A of the Fire (Scotland) Act 2005;

(c) as an auxiliary coastguard in respect of coast rescue activities;

(d) in the manning or launching of a lifeboat if the employment is part-time;

(e) as a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001.

(3) If—

(a) any of the earnings of the applicant or, if he has a partner, his partner, or both of them, are disregarded under sub-paragraph (1); and

(b) either of them has, or both of them have, other earnings, so much of those other earnings as would not, in the aggregate with the earnings disregarded under that sub-paragraph, exceed £20.

**54.**—(1) If the applicant or, if he has a partner, his partner is a carer, or both are carers, £20 of any earnings received from his or their employment.

(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.

(3) In this paragraph the applicant or his partner is a carer if rule 135 (amount applicable for carers) is satisfied in respect of him.

**55.**—(1) £20 is disregarded if the applicant or, if he has a partner, his partner—

(a) is in receipt of—

- (i) long-term incapacity benefit under section 30A of the SSCBA;
- (ii) severe disablement allowance under section 68 of that Act;
- (iii) attendance allowance under sections 64 to 70 of that Act;
- (iv) disability living allowance;
- (v) personal independence payment;
- (vi) an AFIP;
- (vii) 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;
- (viii) the disability element or the severe disability element of working tax credit under Schedule 2 to the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002; or
- (ix) main phase employment and support allowance; or

(b) is or are registered as blind in a register compiled by a local authority in Wales under section 29 of the National Assistance Act 1948 or as severely sight-impaired in a register kept by a local authority in England under section 77(1) of the Care Act 2014 (registers of sight impaired adults) or in Scotland, has been certified as blind and in consequence is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or

(c) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work), and has been incapable, or has been treated as incapable, of work for a continuous period of not less than—

- (i) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the SSCBA, 196 days;
- (ii) in any other case, 364 days; or

(d) has, or is treated as having, limited capacity for work within the meaning of section 1(4) of the Welfare Reform Act 2007 or limited capability for work-related activity within the meaning of section 2(5) of that Act and either—

- (i) the assessment phase as defined in section 24(2) of the Welfare Reform Act 2007 has ended; or
- (ii) regulation 7 of the Employment and Support Allowance Regulations 2013 (circumstances where the condition that the assessment phase has ended before entitlement to the support component or the work-related activity component arising does not apply) applies.

(2) Subject to sub-paragraph (3), £20 is disregarded if the applicant or, if he has a partner, his partner has, within a period of 8 weeks ending on the day in respect of which the applicant or his partner attains the qualifying age for state pension credit, had an award of housing benefit or council tax benefit or was in receipt of a reduction under the authority's scheme (including under another authority's scheme) and—

- (a) £20 was disregarded in respect of earnings taken into account in that award; and
- (b) the person whose earnings qualified for the disregard continues in employment after the termination of that award.

(3) The disregard of £20 specified in sub-paragraph (2) applies so long as there is no break, other than a break which does not exceed 8 weeks, in a person's—

- (a) entitlement to housing benefit; or
- (b) receipt of a reduction under the authority's (including under another authority's) scheme; or
- (c) employment,

following the first day in respect of which that benefit is awarded or the reduction given under that scheme.

(4) £20 is the maximum amount which may be disregarded under this paragraph, notwithstanding that, where the applicant has a partner, both the applicant and his partner satisfy the requirements of this paragraph.

**56.—**(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) rule 33 does not apply,
- the amount specified in sub-paragraph (7) ("the specified amount").

(2) Where this paragraph applies, rules 51 to 55 and 57 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 rule 52, then rule 52 applies instead of this paragraph.

(3) Notwithstanding rule 31 (calculation of income and capital of members applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ("A") it shall 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 sub-paragraph 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;
- (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 regulation 39(1)(a), (b) or (c) of the Employment and Support Regulations 2013; 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).

**57.** Any amount or the balance of any amount which would fall to be disregarded under rule 79 or 80 to these Rules had the applicant's income which does not consist of earnings been sufficient to entitle him to the full disregarded thereunder.

**58.** Except where the applicant or his partner qualifies for a £20 disregard under rules 51 to 57—

- (a) £5 must be disregarded if an applicant who has no partner has earnings;
- (b) £10 must be disregarded if an applicant who has a partner has earnings.

**59.** Any earnings, other than earnings referred to in rule 37(9)(b), derived from employment which ended before the day in respect of which the applicant first satisfies the conditions for entitlement to a reduction under the authority's scheme.

**60.**—(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 this Schedule must be increased by £17.10.

(2) The conditions of this sub-paragraph are that—

(a) the applicant, or if he has a partner, 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 any partner of his is, aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or

(ii) if he is a member of a couple—

(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 has a partner, one of them is, engaged in remunerative work for on average not less than 16 hours per week and rule 55(1) above is satisfied in respect of that person.

(3) The following are the amounts referred to in sub-paragraph (1)—

(a) any amount disregarded under rules 51 to 61;

(b) the amount of child care charges calculated as deductible under rule 44(1)(c)(calculation of income on a weekly basis); and

(c) £17.10.

(4) The provisions of rule 5 (remunerative work) are to apply in determining whether or not a person works for on average not fewer than 30 hours per week, but as if the reference to 16 hours in paragraph (1) of that rule was a reference to 30 hours.

**61.** Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting to that payment into Sterling.

### **Income other than earnings**

**62.** In addition to any sum which falls to be disregarded in accordance with rules 63 to 67, the full amount (local disregard) of any of the following, namely—

(a) a war disablement pension (except insofar as such a pension falls to be disregarded under 63 or 64);

(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 Her 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 adjusted to less than £10 by a pension or payment falling within article 39(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011, 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 sub-paragraphs (a) to (d) above;

(g) a pension paid by a government to victims of National Socialist persecution.

**63.** The whole of any amount included in a pension to which rule 62 relates in respect of—

(a) the applicant's need for constant attendance;

(b) the applicant's exceptionally severe disablement.

**64.** 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.

**65.** 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.

**66.** 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.

**67.—**(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 19<sup>th</sup> December 1881, the Royal Warrant of 27<sup>th</sup> October 1884 and the Order by His Majesty of 14<sup>th</sup> January 1922 (exceptional grants of pay, non-effective pay and allowances).

**68.** £15 of any widowed parent's allowance to which the applicant is entitled under section 39A of the SSCBA.

**69.** £15 of any widowed mother's allowance to which the applicant is entitled under section 37 of the SSCBA.

**70.** 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 whom 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; or

(b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent. of the excess over £20.

**71.** If the applicant—

(a) owns the freehold or leasehold interest in any property or is a tenant of any property; and

(b) occupies a part of that property; and

(c) has an agreement with another person allowing that person to occupy another part of that property on payment of rent and—

(i) the amount paid by that person is less than £20 per week, the whole of that amount; or

(ii) the amount paid is £20 or more per week, £20.

**72.** Where an applicant receives income under an annuity purchased with a loan, which satisfies the following conditions—

(a) that the loan was made as part of a scheme under which not less than 90 per cent. of the proceeds of the loan were applied to the purchase by the person to whom it was made of an annuity ending with his life or with the life of the survivor of two or more persons (in this paragraph referred to as "the annuitants") who include the person to whom the loan was made;

(b) that at the time the loan was made the person to whom it was made or each of the annuitants had attained the age of 65, or if it was higher at the time, pensionable age;

(c) that the loan was secured on a dwelling in Great Britain and the person to whom the loan was made or one of the annuitants owns an estate or interest in that dwelling;

(d) that the person to whom the loan was made or one of the annuitants occupies the dwelling on which it was secured as his home at the time the interest is paid; and

(e) that the interest payable on the loan is paid by the person to whom the loan was made or by one of the annuitants,

the amount, calculated on a weekly basis, equal to—

(i) where, or insofar as, section 369 of the Income and Corporation Taxes Act 1988 (mortgage interest payable under deduction of tax) applies to the payments of interest on the loan, the interest which is

payable after deduction of a sum equal to income tax on such payments at the applicable percentage of income tax within the meaning of section 369(1A) of that Act;

(ii) in any other case, the interest which is payable on the loan without deduction of such a sum.

**73.**—(1) Any payment, other than a payment to which sub-paragraph (2) applies, made to the applicant by Trustees in exercise of a discretion exercisable by them.

(2) This sub-paragraph applies to payments made to the applicant by Trustees in exercise of a discretion exercisable by them for the purpose of—

(a) obtaining food, ordinary clothing or footwear or household fuel;

(b) the payment of rent, council tax or water charges for which that applicant or his partner is liable;

(c) meeting housing costs of a kind specified in Schedule 2 to the State Pension Credit Regulations 2002.

(3) In a case to which sub-paragraph (2) applies, £20 or—

(a) if the payment is less than £20, the whole payment;

(b) if, in the applicant's case, the full amount is disregarded in accordance with rule 62(a) to (g), £10 or the whole payment if it is less than £10; or

(c) if, in the applicant's case, £15 is disregarded under rule 68 or rule 69 and—

(i) he has no disregard under rule 62(a) to (g), £5 or the whole payment if it is less than £5;

(ii) he has a disregard under rule 62(a) to (g), nil.

(4) For the purposes of this paragraph, “**ordinary clothing or footwear**” means clothing or footwear for normal daily use, but does not include school uniforms, or clothing and footwear used solely for sporting activities.

**74.** Any increase in pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 paid in respect of a dependent other than the pensioner's partner.

**75.** Any payment ordered by a court to be made to the applicant or the applicant's partner in consequence of any accident, injury or disease suffered by the person or a child of the person to or in respect of whom the payments are made.

**76.** Periodic payments made to the applicant or the applicant's partner under an agreement entered into in settlement of a claim made by the applicant or, as the case may be, the applicant's partner for an injury suffered by him.

**77.** Any income which is payable outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.



**78.** Any banking charges or commission payable in converting to Sterling payments of income made in a currency other than Sterling.

**79.** 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.

**80.—(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 rule 79, an amount specified in subparagraph (2) in respect of each week during the student's term.

(2) For the purposes of sub-paragraph (1), the amount is to be equal to—

- (a) the weekly amount of the payments; or
  - (b) £59.20,
- whichever is less.

(3) In this rule and rule 79 a reference to a “**student loan**” or a “**grant**” is a reference to a student loan or a grant within the meaning of Part 11 of the Schedule to the Default Scheme Regulations.

**81.—(1)** Where an applicant's family includes at least one child or young person, £15 of any payment of maintenance, whether under a court order or not, which is made or due to be made by the applicant's spouse, civil partner, former spouse or former civil partner or the applicant's partner's spouse, civil partner, former spouse, or former civil partner.

(2) For the purposes 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.

**82.** Except in a case which falls under rule 60, 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.

**83.** Where the total value of any capital specified in rules 122 to 125 (capital disregarded only for the purposes of determining deemed income) does not exceed £10,000, any income actually derived from such capital.

**84.** Except in the case of income from capital specified in rules 122 to 125 (capital disregards), any actual income from capital.

**85.** 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.

**85A.** Any victims' payment under the Victims' Payments Regulations 2020.

## **Capital**

### **Calculation of capital**

**86.**—(1) The capital of an applicant to be taken into account must, subject to sub-paragraph (2), be the whole of his capital calculated in accordance with this Part.

(2) There must be disregarded from the calculation of an applicant's capital under sub-paragraph (1), any capital, where applicable, specified in rules 93 to 125 (capital disregards).

(3) An applicant's capital is to be treated as including any payment made to him by way of arrears of—

- (a) child tax credit;
- (b) working tax credit;
- (c) state pension credit,

if the payment was made in respect of a period for the whole or part of which a reduction under the authority's scheme was allowed before those arrears were paid.

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

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

- (a) where there would be expenses attributable to the sale, 10 per cent; and
- (b) the amount of any encumbrance secured on it.

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

**88.** Capital which an applicant possesses in a country outside the United Kingdom is to be calculated—

- (a) 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;
- (b) 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.

### **Notional capital**

**89.**—(1) An applicant is to be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to a reduction under the authority's scheme or increasing the amount of that reduction except to the extent that that capital is reduced in accordance with rule 90 (diminishing notional capital rule).

(2) A person who disposes of capital for the purpose of—

- (a) reducing or paying a debt owed by the applicant; or
  - (b) purchasing goods or services if the expenditure was reasonable in the circumstances of the applicant's case,
- is to be regarded as not depriving himself of it.

(3) 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—

- (a) the value of his holding in that company must, notwithstanding rule 86 (calculation of capital) be disregarded; and
- (b) he must, subject to sub-paragraph (4), 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.

(4) 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 (3) is to be disregarded.

(5) Where an applicant is treated as possessing capital under sub-paragraph (1) the foregoing provisions of this Part apply for the purposes of calculating its amount as if it were actual capital which he does possess.

### **Diminishing notional capital rule**

**90.**—(1) Where an applicant is treated as possessing capital under rule 89(1) (notional capital), the amount which he is treated as possessing—

(a) in the case of a week that is subsequent to—

- (i) the relevant week in respect of which the conditions set out in sub-paragraph (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 sub-paragraph (3);

(b) in the case of a week in respect of which sub-paragraph (1)(a) 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 sub-paragraph (4) is satisfied,

is to be reduced by the amount determined under sub-paragraph (5).

(2) This sub-paragraph applies to a reduction week where the applicant satisfies the conditions that—

- (a) he is in receipt of a reduction under the authority's scheme; and
- (b) but for rule 89(1), he would have received a greater reduction under that scheme in that week.

(3) In a case to which sub-paragraph (2) applies, the amount of the reduction in the amount of capital he is treated as possessing for the purposes of sub-paragraph (1)(a) is to be equal to the aggregate of—

- (a) an amount equal to the additional amount of the reduction in council tax to which sub-paragraph (2)(b) refers;
- (b) where the applicant has also claimed state pension credit, the amount of any state pension credit or any additional amount of state pension credit to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the capital;
- (c) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of housing benefit to which he would have been entitled in respect of the whole or part of that reduction week to which sub-paragraph (2) refers but for the application of regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (notional capital);
- (d) 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 reduction week to which sub-paragraph (2) refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital); and
- (e) 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 reduction week to which sub-paragraph (2) refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

(4) Subject to sub-paragraph (7), for the purposes of sub-paragraph (1)(b), the condition is that the applicant would have been entitled to a reduction in council tax under the authority's scheme in the relevant week but for rule 89(1).

(5) In such a case the amount of reduction in the amount of the capital which he is treated as possessing for the purposes of sub-paragraph (1)(b) is equal to the aggregate of—

- (a) the amount of the reduction in council tax to which the applicant would have been entitled in the relevant week but for rule 89(1);

(b) if the applicant would, but for regulation 21 of the State Pension Credit Regulations 2002, have been entitled to state pension credit in respect of the benefit week, within the meaning of regulation 1(2) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled;

(c) if the applicant would, but for regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit week, within the meaning of regulation 2 of those Regulations (interpretation), 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,

(d) 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

(e) 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.

(6) But if the amount mentioned in paragraph (a), (b), (c), (d), or (e) of sub-paragraph (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—

(a) dividing the relevant amount by the number equal to the number of days in that partweek, and

(b) multiplying the result of that calculation by 7.

(7) The amount determined under sub-paragraph (5) must be re-determined under that sub-paragraph if the applicant makes a further application for a reduction in council tax under the authority's scheme and the conditions in sub-paragraph (8) are satisfied, and in such a case—

(a) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words "relevant week" there were substituted the words "relevant subsequent week"; and

(b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.

(8) The conditions are that—

(a) a further application is made 26 or more weeks after—

(i) the date on which the applicant made an application in respect of which he was first treated as possessing the capital in question under rule 89(1) ;

(ii) in a case where there has been at least one re-determination in accordance with subparagraph (5), the date on which he last made an application which resulted in the weekly amount being re-determined, or  
(iii) the date on which he last ceased to be entitled to a reduction in council tax under the authority's scheme,  
whichever last occurred; and  
(b) the applicant would have been entitled to a reduction under the authority's scheme but for rule 89(1).

(9) The amount as re-determined pursuant to sub-paragraph (7) does 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.

(10) For the purposes of this paragraph—  
**“part-week”**—

(a) in relation to an amount mentioned in sub-paragraph (5)(a) means a period of less than a week for which a reduction in council tax under the authority's scheme is allowed;

(b) in relation to an amount mentioned in sub-paragraph (5)(b) means a period of less than a week for which housing benefit is payable;

(c) in relation to an amount mentioned in sub-paragraph (5)(c), (d) or (e) 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 rule 89(1)—

(a) was first taken into account for the purpose of determining his entitlement to a reduction under the authority's scheme; or

(b) was taken into account on a subsequent occasion for the purpose of determining or re-determining 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 under the authority's scheme, and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition the later or latest such reduction week or, as the case may be, the later or latest such part-week of 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.

### **Capital jointly held**

**91.** Except where an applicant possesses capital which is disregarded under rule 89(4) (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 Chapter 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.

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

**92.** The capital of an applicant, calculated in accordance with this Part, is to be treated as if it were a weekly income of—

- (a) £1 for each £500 in excess of £10,000 but not exceeding £16,000; and
- (b) £1 for any excess which is not a complete £500.

## **Capital Disregards**

**93.** 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.

**94.** 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.

**95.** 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.

**96.** Any premises occupied in whole or in part—

- (a) by a person who is a relative of the applicant or his partner 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.

**97.** 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.

**98.** Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from his former partner or the dissolution of a 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.

**99.** Any premises where the applicant is taking reasonable steps to dispose of the whole of his interest in 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.

**100.** All personal possessions.

**101.** 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 those assets.

**102.** The assets of any business owned in whole or in part by the applicant if—

(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 reengaged, in that business,  
for a period of 26 weeks from the date on which the application for a reduction under the authority's scheme is made or, if it is unreasonable to expect him to become engaged or reengaged 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.

**103.** The surrender value of any policy of life insurance.

**104.** The value of any funeral plan contract; and for this purpose, "**funeral plan contract**" means a contract under which—

(a) the applicant makes one or more payments to another person ("the provider");  
(b) the provider undertakes to provide, or secure the provision of, a funeral in the United Kingdom for the applicant on his death; and  
(c) the sole purpose of the plan is to provide or secure the provision of a funeral for the applicant on his death.

**105.** Where an ex-gratia payment 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, an amount equal to that payment.



**106.**—(1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or an applicant's partner who is—

- (a) a diagnosed person;
- (b) a diagnosed person's partner or was a diagnosed person's partner at the time of the diagnosed person's death; or
- (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.

(2) Where a trust payment is made to—

- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph is to apply 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 shall apply for the period beginning on the date on which the trust payment is made and ending two years after that date.

(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 an applicant's partner who is—

- (a) the diagnosed person;
- (b) a diagnosed person's partner or was a diagnosed person's partner at the date of the diagnosed person's death; or
- (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.

(4) Where a payment such as referred to in sub-paragraph (3) is made to—

- (a) a person referred to in sub-paragraph (3)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the payment is made and ends on the date on which that person dies;
- (b) a person referred to in sub-paragraph (3)(c), that sub-paragraph is to apply for the period beginning on the date on which the payment is made and ending two years after that date.

(5) In this paragraph, a reference to a person—

- (a) being the diagnosed person's partner;
- (b) 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 or an independent hospital.

(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 Creutzfeldt-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 Creutzfeldt-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;  
“**trust payment**” means a payment under a relevant trust.

**107.** 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 civil partner or the applicant’s partner’s deceased spouse or civil partner—

- (a) was a slave labourer or a forced labourer;
- (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.

**108.**—(1) Any payment made under or by—

- (a) the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies Trust or the London Bombings Relief Charitable Fund (collectively referred to in this rule as “the Trusts”); or
- (b) the Independent Living Fund (2006).

(1A) Any Grenfell Tower support payment.

(1B) Any payment made by the Child Migrants Trust (registered charity number 1171479) under the scheme for former British child migrants.

(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 or from a Grenfell Tower support payment and which is made to or for the benefit of that person’s partner or former partner—

- (a) from whom he is not, or where that person has died was not, estranged or divorced, or
- (b) 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.

(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 which derives from a payment made under or by any of the Trusts or from a Grenfell Tower support payment and which is made to or for the benefit of the person who is suffering from haemophilia or who is a qualifying person.

(4) Sub-paragraph (3) 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.

(5) 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, 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 who is or had been a member of that person's household; and

(b) the payment is made either—

(i) to that person's parent or step-parent; or

(ii) where that person at the date of the payment is a child or a student who has not completed his full-time education and has no parent or step-parent, to any person standing in the place of his parent,

but only for a period from the date of the payment until the end of two years from that person's death.

(6) 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 from a Grenfell Tower support payment, 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 who was or had been a member of his household; and

(b) the payment is made either—

(i) to that person's parent or step-parent; or

(ii) where that person at the relevant date was a child or a student who had not completed his full-time education and had no parent or step-parent, to any person standing in place of his parent,

but only for a period of two years from the relevant date.

(7) In the case of a person to whom or for whose benefit a payment referred to in this rule 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.

**108A** – 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.

**109.**—(1) An amount equal to the amount of any payment made in consequence of any personal injury to the applicant or, if the applicant has a partner, to the partner.

(2) Where the whole or part of the payment is administered—

- (a) by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998, or the Court of Protection, or on behalf of a person where the payment can only be disposed of by order or direction of any such court;
  - (b) in accordance with an order made under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules; or
  - (c) in accordance with the terms of a trust established for the benefit of the applicant or his partner,
- the whole of the amount so administered.

**110.** Any amount specified in rules 111, 112, 113 or 117 for a period of one year beginning with the date of receipt.

**111.** Amounts paid under a policy of insurance in connection with the loss of or damage to the property occupied by the applicant as his home and to his personal possessions.

**112.** So much of any amounts paid to the applicant or deposited in the applicant's name for the sole purpose of—

- (a) purchasing premises which the applicant intends to occupy as his home; or
- (b) effecting essential repairs or alterations to the premises occupied or intended to be occupied by the applicant as his home.

**113.—(1)** Subject to rule 114 any amount paid—

- (a) by way of arrears of benefit;
- (b) by way of compensation for the late payment of benefit;
- (c) in lieu of the payment of benefit;
- (d) to rectify, or compensate for, an official error, as defined for the purposes of rule 114, being an amount to which that rule does not apply;
- (e) by a local authority out of funds provided under either section 93 of the Local Government Act 2000 under a scheme known as “Supporting People” or section 91 of the Housing (Scotland) Act 2001,
- (f) by way of occasional assistance including arrears and payments in lieu of occasional assistance (and in this paragraph “occasional assistance” has the same meaning as in rule 36);
- (g) to rectify, or compensate for, an error made by an officer of the Department for Work and Pensions which was not caused or materially contributed to by any person outside the Department and which prevented or delayed an assessment of the applicant's entitlement to contributory employment and support allowance, being an amount to which paragraph 114 (1A) does not apply.

(2) In sub-paragraph (1), “**benefit**” means—

- (a) attendance allowance under section 64 of the SSCBA;
- (b) disability living allowance;
- (c) personal independence payment
- (d) an AFIP;
- (e) income support;
- (f) income-based jobseeker's allowance;

- (g) state pension credit;
- (h) housing benefit;
- (i) council tax benefit;
- (j) child tax credit;
- (k) an increase of a disablement pension under section 104 of the SSCBA (increase where constant attendance is needed), and any further increase of such a pension under section 105 of that Act (increase for exceptionally severe disablement);
- (l) any amount included on account of the applicant's exceptionally severe disablement or need for constant attendance in a war disablement pension or a war widow's or widower's pension;
- (m) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
- (n) working tax credit;
- (o) income-related employment and support allowance;
- (p) social fund payments under Part 8 of the SSCBA;
- (q) universal credit;
- (r) maternity allowance under section 35 of the SSCBA (state maternity allowance for employed or self-employed earner);
- (s) early years assistance given in accordance with section 32 of the Social Security (Scotland) Act 2018; or
- (t) funeral expense assistance given in accordance with section 34 of that Act.
- (u) any Scottish child payment assistance given in accordance with section 79 of that Act;
- (v) any assistance given in accordance with the Carer's Assistance (Young Carer Grants) (Scotland) Act 2018; or
- (w) winter heating assistance given in accordance with regulations under section 30 of that Act.

(3) In sub-paragraph (1) "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 44, to the Welfare Reform Act 2012 that removed references to an income-related allowance.

**114.—**(1) Subject to sub-paragraph (3), any payment of £5,000 or more which has been made to rectify, or to compensate for, an official error, or an error on a point of law, relating to a relevant benefit and has been received by the applicant in full on or after the day on which he became entitled to a reduction under the authority's scheme.

(1A) Subject to paragraph (3), any payment of £5,000 or more received by the applicant in full on or after the day on which the applicant became entitled to a reduction under an authority's scheme which has been made to rectify, or compensate for, an error by an officer of the Department for Work and Pensions which was not caused or materially contributed to by any person outside the Department and which prevented or delayed an assessment of the applicant's entitlement to contributory employment and support allowance.

(1B) In sub-paragraph (1A) “contributory employment and support allowance” has the meaning in paragraph 113(3).

(2) Subject to sub-paragraph (3), the total amount of any payments disregarded under—

(a) paragraph 7(2) of Schedule 10 to the Income Support (General) Regulations 1987;

(b) paragraph 12(2) of Schedule 8 to the Jobseeker’s Allowance Regulations 1996;

(c) paragraph 9(2) of Schedule 5 to the Council Tax Benefit Regulations 2006;

(d) paragraph 20A of Schedule 5 to the State Pension Credit Regulations 2002,

(e) paragraph 11(2) of Schedule 9 to the Employment and Support Allowance Regulations 2008,

(f) paragraph 18 of Schedule 10 to the Universal Credit Regulations 2013, where the award in respect of which the payments last fell to be disregarded under those Regulations either terminated immediately before the relevant date or is still in existence at that date.

(3) Any disregard which applies under sub-paragraph (1) or (2) is to have effect until the award comes to an end.

(4) In this paragraph—

“**the award**”, except in sub-paragraph (2), means—

(a) the award of a reduction under the authority’s scheme during which the relevant sum or, where it is paid in more than one instalment, the first instalment of that sum is received; and

(b) where that award is followed by one or more further awards which, or each of which, begins immediately after the previous award ends, such further awards until the end of the last such award, provided that, for such further awards, the applicant—

(i) is the person who received the relevant sum;

(ii) is the partner of that person; or

(iii) was the partner of that person at the date of his death;

“**official error**” means—

(a) where the error relates to housing benefit or council tax benefit (in respect of any period before 1st April 2013), has the meaning given by regulation 1(2) of the Housing Benefit and the Council Tax Benefit (Decisions and Appeals) Regulations 2001; and

(b) where the error relates to any other relevant benefit, has the meaning given by regulation 1(3) of the Social Security and Child Support (Decisions and Appeals) Regulations 1999;

“**the relevant date**” means the date on which an application for a reduction under the authority’s scheme was made;

“**relevant benefit**” means any benefit specified in rule 113(2); and

“**the relevant sum**” means the payment referred to in sub-paragraph (1) or the total amount referred to in sub-paragraph (2).

**115.** Where a capital asset is held in a currency other than Sterling, any banking charge or commission payable in converting that capital into Sterling.

**116.** The value of the right to receive income from an occupational pension scheme or a personal pension scheme.

**117.** Any arrears of supplementary pension which is disregarded under rule 65 (amounts to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under rules 66 or 67.

**118.** The dwelling occupied as the home; but only one dwelling may be disregarded under this paragraph.

**119.—(1)** Subject to sub-paragraph (2) where an applicant falls within class C (alternative maximum council tax reduction), the whole of his capital.

(2) Sub-paragraph (1) does not apply, where an applicant falls within class B (income greater than applicable amount) and class C.

**120.** Where a person elects to be entitled to a lump sum under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005, or is treated as having made such an election, and a payment has been made pursuant to that election, an amount equal to—

(a) except where sub-paragraph (b) applies, the amount of any payment or payments made on account of that lump sum; or

(b) the amount of that lump sum,

but only for so long as that person does not change that election in favour of an increase of pension or benefit.

**120A.** Where a person chooses a lump sum under section 8(2) of the Pensions Act 2014 or in accordance with Regulations made under section 10 of that Act which include provision corresponding or similar to section 8(2) of that Act, or fails to make a choice, and a lump sum payment has been made, an amount equal to –

(a) except where sub-paragraph (b) applies, the amount of any payment or payments made on account of that lump sum; or

(b) the amount of that lump sum,

but only for so long as that person does not alter that choice in favour of an increase of pension.

**121.** (1) Any payments made —

(a) by virtue of regulations made under section 57 of the Health and Social Care Act 2001 (direct payments);

(b) by virtue of regulations made under section 12B of the Social Work (Scotland) Act 1968 (direct payments in respect of community care services);

(c) by virtue of regulations made under sections 12A to 12C of the National Health Service Act 2006 (direct payments for health care);

(d) Article 15 of the Health and Personal Social Services (Northern Ireland) Order 1972 (general social welfare);r

(e) section 8 of the Carers and Direct Payments Act (Northern Ireland) 2002 (direct payments);

(f) under sections 31 to 33 of the Care Act 2014 (direct payments); or  
(g) by virtue of regulations made under section 50 or 52 of the Social Services and Well-being (Wales) Act 2014 (direct payments).

**121A.** A payment made under the Age-Related Payments Regulations 2013.

**121B.** Any payments to an applicant made under section 49 of the Children's and Families Act 2014 (personal budgets and direct payments).

**121C.** (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;
- (c) continues to live with the applicant.

**121D.** Any lump sum payment made in accordance with regulation 24 of the Victims' Payments Regulations 2020.

**121E.** Any sum paid by means of assistance in accordance with the Carer's Assistance (Young Carer Grants) (Scotland) Regulations 2019.

**121F.** Any sum paid by means of winter heating assistance in accordance with regulations under section 30 of the Social Security (Scotland) Act 2018.

**122.** The value of the right to receive any income under a life interest or from a life rent.

**123.** 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.

**124.** The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.

**125.** Where property is held under a trust, other than—

- (a) a charitable trust within the meaning of the Charities Act 1993; or
- (b) a trust set up with any payment to which rule 108 applies, and under the terms of the trust, payments fall to be made, or the trustees have a discretion to make payments, to or for the benefit of the applicant or the applicant's partner, or both, that property.

## **Part 6 – Applicable Amounts**

### **Applicable amounts**

**126.—**(1) The applicable amount for a pensioner for a week is the aggregate of such of the following amounts as apply in his case—



- (a) an amount in respect of his personal allowance, determined in accordance with rule 127 to these Rules;
- (b) an amount in respect of any child or young person who is a member of his family, determined in accordance with rule 128;
- (c) if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with rule 129 (family premium), or 129A (local family premium);
- (d) the amount of any premiums which may be applicable to him, determined in accordance with rules 130 to 138 (premiums).

(2) In rules 127 to 138—

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

“**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.

### Personal allowance

**127.** The amount specified in column (2) below in respect of each person or couple specified in column (1) is the amount specified for the purposes of rule 126(1)(a).

<i>Column (1)</i> <i>Person, couple or polygamous marriage</i>	<i>Column (2)</i> <i>Amount</i>
(1) Single applicant or lone parent who has attained pensionable age before 1 <sup>st</sup> April 2021.	(1) £191.15
(2) Couple where one or both members have attained pensionable age before 1 <sup>st</sup> April 2021.	(2) £286.05.
(3) If the applicant is a member of a polygamous marriage and one or more members of a marriage have attained pensionable age before 1 <sup>st</sup> April 2021— (a) for the applicant and the other party to the marriage; (b) for each additional spouse who is a member of the same household as the applicant.	(3)  (a) £286.05;  (b) £94.90
(4) Single applicant or lone parent who has attained pensionable age on or after 1 <sup>st</sup> April 2021.	(4) 177.10
(5) Couple where both members have attained pensionable age on or after 1 <sup>st</sup> April 2021.	(5) £270.30

(6) If the applicant is a member of a polygamous marriage and all members of the marriage have attained pensionable age on or after 1 <sup>st</sup> April 2021 –	(6)
(a) for the applicant and the other party to the marriage;	(a) £270.30;
(b) for each additional spouse who is a member of the same household as the applicant.	(b) £93.20

### Child or young person amounts

**128.**—(1) The amounts specified in column (2) below in respect of each person specified in column (1) are the amounts, for the relevant period specified in column (1), specified for the purposes of rule 126(1)(b).

<i>Column (1)</i> <i>Child or young person</i>	<i>Column (2)</i> <i>Amount</i>
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; (b) beginning on the first Monday in September following that person’s sixteenth birthday and ending on the day preceding that person’s twentieth birthday.	(a) £68.60;  (b) £68.60.

(2) In column (1) of the table “**the first Monday in September**” means the Monday which first occurs in the month of September in any year.

### Family premium

**129.** The amount for the purposes of rule 126(1)(c) in respect of a family of which at least one member is a child or young person -

(a) is £17.65 in respect of a reduction week which begins in the period beginning with 1<sup>st</sup> April 2016 and ending with 30<sup>th</sup> April 2016.

(b) is nil in respect of a reduction week which begins after 1<sup>st</sup> May 2016.

### Local family premium

**129A.** The amount for the purposes of rule 126(1)(c) in respect of a family of which at least one member is a child or young person is £17.65 in respect of a reduction week which begins after 1<sup>st</sup> May 2016.

### Transitional provision for rule 129

**129B.** (1) Subject to paragraph (2), the amendment in rule in rule 129 does not apply to a person who, on 30<sup>th</sup> April 2016, 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 13(A)(2) of the Act and is –

- (a) a member of a family of which at least one member is a child or young person; or
- (b) a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.

(2) Paragraph (1) does not apply if –

- (a) sub paragraph (a) or (b) of that paragraph ceases to apply; or
- (b) the person makes a new application for a reduction under an authority's scheme under section 13A(2) of the Act.

(3) For the purposes of this rule –

- (a) **“the Act”** means the Local Government Finance Act 1992;
- (b) **“child”**, **“family”**, **“polygamous marriage”** and **“young person”** have the meanings given by rule 2 of this scheme.

**130.** The premiums specified in rule 138 are, for the purposes of rule 126(1)(d), applicable to an applicant who satisfies the condition specified in rules 131 to 137 in respect of that premium.

**131.** Subject to sub-paragraph (2), for the purposes of rules 130 to 137, once a premium is applicable to an applicant under rules 130 to 137, 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 provision 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 Highland and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990 or for any period during which he is in receipt of a training allowance.

(2) For the purposes of the carer premium under rule 135, a person is to be treated as being in receipt of a 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 paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 or an AFIP.

### **Severe disability premium**

**132.—**(1) The condition is that the applicant is a severely disabled person.

(2) For the purposes of sub-paragraph (1), an applicant is to be treated as being a severely disabled person if, and only if—

- (a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3)—

(i) he is 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 paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP; and

(ii) subject to sub-paragraph (6), he has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing; and

(iii) no person is entitled to, and in receipt of, a carer's allowance under section 70 of the SSCBA or has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013 in respect of caring for him;

(b) in the case of an applicant who has a partner—

(i) the applicant is 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 paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP;

(ii) his partner is also in receipt of such an allowance or, if he is a member of a polygamous marriage, each other member of that marriage is in receipt of such an allowance; and

(iii) subject to sub-paragraph (6), the applicant has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing,

and either a person is entitled to and in receipt of a carer's allowance, or has an award of universal credit that includes the carer element, in respect of caring for only one of the couple or, if he is a member of a polygamous marriage, for one or more but not all the members of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance, or has such an award of universal credit, in respect of caring for either member of a couple or any of the members of the marriage.

(3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is blind or severely sight-impaired or is treated as such within the meaning of sub-paragraph (4), that partner is to be treated for the purposes of sub-paragraph (2) as if he were not a partner of the applicant.

(4) For the purposes of sub-paragraph (3), a person is blind if he is registered in a register compiled by a local authority under section 29 of the National Assistance Act 1948 (welfare services) in Wales or is registered as severely sight-impaired in a register kept by a local authority in England under section 77(1) of the Care Act 2014 (registers of sight-impaired adults) or in Scotland, has been certified as blind and in consequence he is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994.

(5) For the purposes of sub-paragraph (4), a person who has ceased to be registered as blind or severely sight-impaired on regaining his eyesight is nevertheless to be treated as such and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which he ceased to be so registered.

(6) For the purposes of sub-paragraph (2)(a)(ii) and (2)(b)(iii) no account is to be taken of—

(a) a person receiving 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 paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP; or

(b) a person who is blind or is treated as blind within the meaning of sub-paragraphs (4) and (5).

(7) For the purposes of sub-paragraph (2)(b) a person is to be treated—

(a) as being 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, if he would, but for his being a patient for a period exceeding 28 days, be so in receipt;

(b) as being in receipt of the daily living component of personal independence payment paid at the rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 if he would, but for his being a patient for a period exceeding 28 days, be so entitled and in receipt notwithstanding section 86 of that Act and regulations made thereunder;

(c) as being in receipt of an AFIP, if he would, 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;

(d) as being entitled to and in receipt of a carer's allowance, or has an award of universal credit which includes the carer element, if he would, but for the person for whom he was caring being a patient in hospital for a period exceeding 28 days, be so entitled and in receipt, or have such an award of universal credit.

(8) For the purposes of sub-paragraph (2)(a)(iii) and (2)(b)—

(a) no account is to be taken of an award of carer's allowance to the extent that payment of such an award is back-dated for a period before the date on which the award is first paid; and

(b) a reference to a person being in receipt of a carer's allowance, or having an award of universal credit which includes the carer element, is to include reference to a person who would have been in receipt of that allowance, or had such an award of universal credit, but for the application of a restriction under section 6B or 7 of the Social Security Fraud Act 2001 (loss of benefit).

### **Enhanced disability premium**

**133.**—(1) The condition is that—

(a) the care component of disability living allowance is, or would, but for a suspension of benefit in accordance with regulations under section 113(2) of

the SSCBA or but for an abatement as a consequence of hospitalisation, be payable at the highest rate prescribed under section 73(2) of that Act; or  
(b) (as the case may be) the daily living component of personal independence payment is, or would, but for a suspension of payment in accordance with regulations under section 86 of the Welfare Reform Act 2012, be payable at the enhanced rate under section 78(2) of that Act,  
in respect of a child or young person who is a member of the applicant's family.

(2) Where the condition in sub-paragraph (1) ceases to be satisfied because of the death of a child or young person, the condition is that the applicant or partner is entitled to child benefit in respect of that person under section 145A of the SSCBA (entitlement after death of child or qualifying young person).

### **Disabled child premium**

**134.** The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household—

(a) is in receipt of disability living allowance or personal independence payment or is no longer in receipt of such allowance because he is a patient, provided that the child or young person continues to be a member of the family; or

(b) is blind within the meaning of rule 132(4) or treated as blind in accordance with rule 132(5); or

(c) is a child or young person in respect of whom section 145A of the SSCBA (entitlement after death of child or qualifying young person) applies for the purposes of entitlement to child benefit but only for the period prescribed under that section, and in respect of whom a disabled child premium was included in the applicant's applicable amount immediately before the death of that child or young person, or ceased to be included in the applicant's applicable amount because of that child or young person's death.

### **Carer premium**

**135.—**(1) The condition is that the applicant or his partner is, or both of them are, entitled to a carer's allowance.

(2) Where a carer premium has been awarded but—

(a) the person in respect of whose care the carer's allowance has been awarded dies; or

(b) the person in respect of whom the premium was awarded ceases to be entitled, or ceases to be treated as entitled, to a carer's allowance, this paragraph shall be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

(3) The relevant date for the purposes of sub-paragraph (2) is—

(a) in a case within sub-paragraph (2)(a) the Sunday following the death of the person in respect of whose care the carer's allowance has been awarded (or beginning with the date of death if the date occurred on a Sunday);

(b) in a case within sub-paragraph (2)(b), the date on which that person who was entitled to a carer's allowance ceases to be entitled to it.

(4) For the purposes of this paragraph, a person is to be treated as being entitled to and in receipt of a carer's allowance for any period not covered by an award but in respect of which a payment is made in lieu of an award.

**Persons in receipt of concessionary payments**

**136.** For the purpose of determining whether a premium is applicable to a person under rules 132 to 135, 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.

**Person in receipt of benefit**

**137.** For the purposes of rules 130 to 137, 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.

**138. Amounts of premium specified**

<i>Provision</i>	<i>Amount</i>
<p>(1) Severe Disability Premium—</p> <p>(a) where the applicant satisfies the condition in rule 132(2)(a);</p> <p>(b) where the applicant satisfies the condition in rule 132(2)(b)—</p> <p>(i) in a case where there is someone in receipt of a carer's allowance, or who has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013, or if he or any partner satisfies that condition only by virtue of rule 132(7);</p> <p>(ii) in a case where there is no-one in receipt of such an allowance, or such an award of universal credit.</p>	<p>(1)</p> <p>(a) £67.30;</p> <p>(b)</p> <p>(i) 67.30;</p> <p>(ii) £134.60</p>
<p>(2) Enhanced disability premium.</p>	<p>(2) £26.67 in respect of each child or young person in respect of whom the conditions specified in rule 133 are satisfied.</p>

(3) Disabled Child Premium.	(3) £65.94 in respect of each child or young person in respect of whom the condition specified in rule 134 is satisfied
(4) Carer Premium.	(4) £37.70 in respect of each person who satisfies the condition specified in rule 135.

## Part 7 – Eligible Council Tax and Amount of Reduction

### Maximum council tax reduction amount under the authority's scheme

**139.**—(1) Subject to sub-paragraphs (2) to (4), a person's maximum council tax reduction amount in respect of a day is 100 per cent of the amount A/B where—

- (a) 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
- (b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under rule 140 (non-dependent deductions).

(2) In calculating a person's maximum council tax reduction under the authority's 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 the authority's scheme), is to be taken into account.

(3) Subject to sub-paragraph (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 sub-paragraph (1), the amount A is to be divided by the number of persons who are jointly and severally liable for that tax.

(4) Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, sub-paragraph (3) does not apply in his case.

(5) The reference in sub-paragraph (3) to a person with whom an applicant is jointly and severally liable for council tax does not include a student to whom paragraph 75(1) of the Schedule to the Default Scheme Regulations applies.



(6) In this paragraph “**relevant financial year**” means, in relation to any particular day, the financial year within which the day in question falls.

### **Non-dependant deductions**

**140.**—(1) Subject to the following provisions of this rule, the non-dependant deductions in respect of a day referred to in 139 are—

(a) in respect of a non-dependant aged 18 or over in remunerative work, £12.45 x 1/7;

(b) in respect of a non-dependant aged 18 or over to whom paragraph (a) does not apply, £4.05 x 1/7.

(2) In the case of a non-dependant aged 18 or over to whom sub-paragraph (1)(a) applies, where it is shown to the authority that his normal gross weekly income is—

(a) less than £217.00, the deduction to be made under this paragraph is that specified in subparagraph (1)(b);

(b) not less than £217.00 but less than £377.00, the deduction to be made under this paragraph is £8.30;

(c) not less than £377.00 but less than £469.00, the deduction to be made under this paragraph is £10.40.

(3) Only one deduction is to be made under this rule in respect of a couple or, as the case may be, members of a polygamous marriage and, where, but for this rule, 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 shall be deducted.

(4) In applying the provisions of sub-paragraph (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.

(5) Where in respect of a day—

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

(b) 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

(c) the person to whom paragraph (a) 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.

(6) No deduction is to be made in respect of any non-dependants occupying an applicant’s dwelling if the applicant or his partner is—

(a) severely sight-impaired or blind or treated as such by virtue of sub-paragraphs (11) or (13) below; or

(b) receiving in respect of himself either—

- (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 allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution.

- (7) No deduction is to be made in respect of a non-dependant if—
- (a) although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or
  - (b) 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
  - (c) he is a full-time student within the meaning of Part 11 of the Schedule to the Default Scheme Regulations (students); or
  - (d) 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 rule 9(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.
  - (e) 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, while on operations, from the dwelling usually occupied as their home.

- (8) No deduction is to be made in respect of a non-dependant—
- (a) who is on income support, state pension credit, an income-based jobseeker’s allowance or an income-related employment and support allowance;
  - (b) 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
  - (c) 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.

(9) In the application of sub-paragraph (2) there is to be disregarded from the non-dependent's weekly gross income—

(a) any attendance allowance, disability living allowance, personal independence payment or AFIP received by him;

(b) 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 Windrush Compensation Scheme, the National Emergencies Trust or the Independent Living Fund (2006) which are paid as income in kind (see sub-paragraph (13));

(ba) any Grenfell Tower support payment which is paid as income in kind (see sub-paragraph (14)); and

(c) the payments set out in sub-paragraph (10).

(10) The payments mentioned in sub-paragraph (9) are—

(a) 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 charitable funds, the Grenfell Tower Residents' Discretionary Fund, the Windrush Compensation Scheme or the Independent Living Fund (2006);

(aa) any Grenfell Tower support payment;

(b) 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 paragraph (a) refers or a Grenfell Tower support payment and which is made to or for the benefit of—

(i) 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;

(ii) 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

(iii) 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;

(c) 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 paragraph (a) refers or a Grenfell Tower support payment and which is made to or for the benefit of—

(i) the person who is suffering from haemophilia or who is a qualifying person;

(ii) 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

- (iii) 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;
- (d) 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 paragraph (a) refers or a Grenfell Tower support payment, where—
  - (i) 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
  - (ii) the payment is made either—
    - (aa) to that person's parent or step-parent, or
    - (bb) 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 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;
- (e) 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 paragraph (a) refers or a Grenfell Tower support payment, where—
  - (i) 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
  - (ii) the payment is made either—
    - (aa) to that person's parent or step-parent, or
    - (bb) 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;
- (f) in the case of a person to whom or for whose benefit a payment referred to in this subparagraph is made, any income which derives from
  - (i) any payment of income or capital made under or deriving from any of the Trusts referred to in paragraph (a); or
  - (ii) a Grenfell Tower support payment;
- (g) 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.

(11) An applicant or his partner is severely sight-impaired or blind or treated as such for the purposes of sub-paragraph (6)(a) if the applicant or his partner

—

- (a) is blind and in consequence registered in a register compiled by a local authority in Wales under section 29 of the National Assistance Act 1948 (welfare services); or

(b) is registered as severely sight-impaired in a register kept by a local authority in England under section 77(1) of the Care Act 2014 (registers of sight-impaired adults); or  
(c) in Scotland, has been certified as blind and in consequence he is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994.

(12) For the purposes of sub-paragraph (8), “earned income” has the meaning given in regulation 52 of the Universal Credit Regulations 2013.

(13) For the purposes of sub-paragraph (11), a person who has ceased to be registered as severely sight-impaired or blind on regaining his eyesight is nevertheless to be treated as such for a period of 28 weeks following the date on which he ceased to be so registered.

(14) The reference in sub-paragraph (9)(b) 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.

**Amount of reduction under a scheme: classes A to C**

**141.**—(1) Where a person is entitled to a reduction under the authority’s scheme in respect of a day, the amount of the reduction to which he is entitled is as follows.

(2) Where the person is within class A, that amount is the maximum council tax reduction amount in respect of the day in the applicant’s case.

(3) Where the person is within class B, that amount is the amount found by deducting amount B from amount A, where “amount A” and “amount B” have the meanings given in rule 12 (income greater than applicable amount).

(4) Where the person is within class C, that amount is the amount which is the alternative maximum council tax reduction in respect of the day in the applicant’s case.

(5) Sub-paragraph (6) applies where both—  
(a) sub-paragraph (2) or sub-paragraph (3), and  
(b) sub-paragraph (4),  
apply to a person.

(6) The amount of the reduction to which he is entitled is whichever is the greater of—  
(a) the amount of the reduction given by sub-paragraph (2) or sub-paragraph (3), as the case may be, and  
(b) the amount of the reduction given by sub-paragraph (4).

**Alternative maximum council tax reduction under a scheme**

**142.**—(1) Subject to sub-paragraphs (2) and (3), the alternative maximum council tax reduction in respect of a day where the conditions set out in rule

13 (alternative maximum council tax reduction) are fulfilled, is the amount determined in accordance with rules 143 to 145 (amount of alternative maximum council tax reduction).

(2) Subject to sub-paragraph (3), 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 alternative maximum council tax reduction in his case, the amount determined in accordance with rules 143 to 145 must be divided by the number of persons who are jointly and severally liable for that tax.

(3) Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, solely by virtue of section 9 of the 1992 Act (liability of spouses and civil partners), sub-paragraph (2) does not apply in his case.

**143.**—(1) Subject to rules 144 and 145, the alternative maximum council tax reduction in respect of a day for the purpose of rule 142 is determined in accordance with the following Table and in this Table—

(a) “**second adult**” means any person or persons residing with the applicant to whom rule 13(2) applies (class C); and

(b) “**person to whom paragraph 75(1) of Schedule 1 to the Default Scheme Regulations applies**” includes any person to whom that paragraph would apply were they, and their partner if they had one, below the qualifying age for state pension credit.

(2) In this Schedule “**council tax due in respect of that day**” means the council tax payable under section 10 of the 1992 Act less—

(a) any reductions made in consequence of any enactment in, or under, the 1992 Act (other than a reduction under the authority’s scheme); and

(b) in a case to which sub-paragraph (c) in column (1) of the table below applies, the amount of any discount which may be appropriate to the dwelling under the 1992 Act.

(1) <i>Second adult</i>	(2) <i>Alternative maximum council tax reduction</i>
<p>(a) Where the second adult or all second adults are in receipt of income support, an income-related employment and support allowance or state pension credit or are persons on an income-based jobseeker’s allowance;</p> <p>(b) where the gross income of the second adult or, where there is more than one second adult, their aggregate gross income disregarding any income of persons on income support, an income-related</p>	<p>(a) 25 per cent of the council tax due in respect of that day;</p> <p>(b)</p>

<p>employment and support allowance, state pension credit or an income-based jobseeker's allowance</p> <p>(i) is less than £215.00 per week;</p> <p>(ii) is not less than £215.00 per week but less than £279.00 per week;</p> <p>(c) where the dwelling would be wholly occupied by one or more persons to whom paragraph 73(1) of Schedule 1 to the Default Scheme Regulations applies but for the presence of one or more second adults who are in receipt of income support, state pension credit, an income-related employment and support allowance or are persons on an income-based jobseeker's allowance.</p>	<p>(i) 15 per cent of the council tax due in respect of that day;</p> <p>(ii) 7.5 per cent of the council tax due in respect of that day;</p> <p>(c) 100 per cent of the council tax due in respect of that day.</p>
--	--

**144.** In determining a second adult's gross income for the purposes of rules 143 to 145, the following must be disregarded from that income —

(a) any attendance allowance, or any disability living allowance or any personal independence payment under Part 4 of the Welfare Reform Act 2012 or an AFIP; and

(b) any payment to which rule 140(9)(b) or (10) to these Rules refers (and sub-paragraph (13) of rule 140 applies to this paragraph as it applies in relation to that paragraph).

**145.** Where there are two or more second adults residing with the applicant and any such second adult falls to be disregarded for the purposes of discount in accordance with Schedule 1 to the 1992 Act, his income is to be disregarded in determining the amount of any alternative maximum council tax reduction, unless that second adult is a member of a couple and his partner does not fall to be disregarded for the purposes of discount.

## **Part 8 – Decisions and Awards**

### **Decision by the authority**

**146.** The authority must make a decision on an application under its scheme within 14 days of rules 14 and 24 and rules 15 to 21 being satisfied, or as soon as reasonably practicable thereafter.

### **Notification of decision**

**147.—(1)** The authority must notify in writing any person affected by a decision made by it under its scheme—

(a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;

(b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

(2) Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement—

- (a) informing the person affected of the duty imposed by rule 152(1);
- (b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and
- (c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

(3) Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

(4) In any case, the notification under sub-paragraph (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 the authority's scheme relating to the procedure for making an appeal.

(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.

(6) The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

(7) For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under its scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

(8) This sub-paragraph applies to—

- (a) the applicant;
- (b) 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,
- (c) a person appointed by the authority under rule 14(3) (persons appointed to act for a person unable to act).



### **Payment where there is joint and several liability**

**148.**—(1) Where—

(a) a person is entitled to a reduction under the authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year;

(b) the person entitled to the reduction is jointly and severally liable for the council tax; and

(c) 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 the reduction to which he is entitled, rounded where necessary to the nearest penny.

(2) Subject to sub-paragraph (3) any payment made under sub-paragraph (1) must be made to the person who is entitled to the reduction.

(3) Where a person other than a person who is entitled to a reduction under the authority's scheme made the application and that first person is a person acting pursuant to an appointment under rule 14(3) or is treated as having been so appointed by virtue of rule 14(4), the amount of the reduction may be paid to that person.

## **Part 9 – Entitlement and Change of Circumstances**

### **Date on which entitlement begins**

**149.**—(1) Subject to sub-paragraph (2), any person by whom or in respect of whom an application for a reduction under the authority's 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.

(2) Where a person is otherwise entitled to a reduction under the authority's 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 shall be so entitled from that reduction week.

### **Date on which change of circumstances is to take effect**

**150.**—(1) Except in cases where rule 48 (disregard of changes in tax, contributions, etc) applies and subject to the following provisions of this regulation and regulation 151 (change of circumstances when state pension credit in payment), a change of circumstances which affects entitlement to, or the amount of, a reduction under the authority's scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs.

(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.

(3) Subject to sub-paragraph (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.

(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 sections 11 or 12 of that Act it takes effect from the day on which the change in amount has effect.

(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.

(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.

(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 sub-paragraphs (1) to (6) they take effect from the day to which the appropriate sub-paragraph from (3) to (6) above refers, or, where more than one day is concerned, from the earlier day.

(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 the authority's scheme.

(9) Without prejudice to sub-paragraph (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 the authority's scheme.

(10) Sub-paragraph (11) applies if 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 rule 140 (non-dependent deductions) increased.

(11) Where this sub-paragraph applies, the change of circumstances referred to in sub-paragraph (10)(b) takes effect from the effective date.

(12) In sub-paragraph (11), but subject to sub-paragraph (13), “**the effective date**” means—

(a) where more than one change of a kind referred to in sub-paragraph (10)(b) relating to the same non-dependant has occurred since—

(i) the date on which the applicant’s entitlement to a reduction under the authority’s 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;

(b) where paragraph (a) does not apply, the date which falls 26 weeks after the date on which the change referred to in sub-paragraph (10)(b) occurred.

(13) If in any particular case the date determined under sub-paragraph (12) is not the first day of a reduction week, the effective date in that case is the first day of the next reduction week to commence after the date determined under that sub-paragraph.

### **Change of circumstances where state pension credit in payment**

**151.**—(1) Sub-paragraphs (2) and (3) apply where—

(a) an applicant is in receipt of state pension credit;

(b) the amount of state pension credit awarded to him is changed in consequence of a change in the applicant’s circumstances or the correction of an official error; and

(c) the change in the amount of state pension credit payable to the applicant results in a change in the amount of a reduction he receives under the authority’s scheme.

(2) Where the change of circumstance is that an increase in the amount of state pension credit payable to the applicant results in—

(a) an increase in the reduction he receives under that scheme, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the increased rate; or

(b) a decrease in the reduction he receives under that scheme, the change takes effect from the first day of the reduction week next following the date on which—

(i) the authority receives notification from the Secretary of State of the increase in the amount of state pension credit; or

(ii) state pension credit is increased,

whichever is the later.

(3) Where the change of circumstance (“the relevant change”) is that the applicant’s state pension credit has been reduced and in consequence the reduction the applicant receives under the authority’s scheme reduces—

(a) in a case where the applicant’s state pension credit has been reduced because the applicant failed to notify the Secretary of State timeously of a change of circumstances, the relevant change takes effect from the first day of the reduction week from which state pension credit was reduced; or

(b) in any other case the relevant change takes effect from the first day of the reduction week next following the date on which—

(i) the authority receives notification from the Secretary of State of the reduction in the amount of state pension credit; or

(ii) state pension credit is reduced,

whichever is the later.

(4) Where the change of circumstance is that state pension credit is reduced and in consequence of the change, the amount of a reduction the applicant receives under the authority's scheme is increased, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the reduced rate.

(5) Where a change of circumstance occurs in that an award of state pension credit has been made to the applicant or his partner and this would result in a decrease in the amount of reduction he receives under the authority's scheme, the change takes effect from the first day of the reduction week next following the date on which—

(a) the authority receives notification from the Secretary of State of the award of state pension credit; or

(b) entitlement to state pension credit begins,  
whichever is the later.

(6) Where, in the case of an applicant who, or whose partner, is or has been awarded state pension credit comprising only the savings credit, there is—

(a) a change of circumstances of a kind described in any of sub-paragraphs (2) to (5) which results from a relevant calculation or estimate; and

(b) a change of circumstances which is a relevant determination,  
each of which results in a change in the amount of reduction the applicant receives under the authority's scheme, the change of circumstances referred to in paragraph (b) takes effect from the day specified in sub-paragraph (2), (3), (4) or (5) as the case may be, in relation to the change referred to in paragraph (a).

(7) Where a change of circumstance occurs in that a guarantee credit has been awarded to the applicant or his partner and this would result in an increase in the amount of a reduction the applicant receives under the authority's scheme, the change takes effect from the first day of the reduction week next following the date in respect of which the guarantee credit is first payable.

(8) Where a change of circumstances would, but for this sub-paragraph, take effect under the preceding provisions of this paragraph within the 4 week period specified in rule 158 (continuing reductions where state pension credit claimed), that change takes effect on the first day of the first reduction week to commence after the expiry of the 4 week period.

(9) In this paragraph—

“**official error**” means an error made by—

(a) the authority or a person—

- (i) authorised to carry out any function of the authority relating to its scheme; or
  - (ii) providing services relating to its scheme directly or indirectly to the authority; or
- (b) an officer of—
- (i) the Department for Work and Pensions; or
  - (ii) the Commissioners of Inland Revenue,

acting as such,

but excludes any error caused wholly or partly by any person or body not specified in paragraph (a) or (b) of this definition and any error of law which is shown to have been an error only by virtue of a subsequent decision of the court;

**“relevant calculation or estimate”** means the calculation or estimate made by the Secretary of State of the applicant’s or, as the case may be, the applicant’s partner’s income and capital for the purposes of the award of state pension credit;

**“relevant determination”** means a change in the determination by the authority of the applicant’s income and capital using the relevant calculation or estimate, in accordance with rule 34(1) (calculation of applicant’s income in savings credit only cases).

### **Duty to notify changes of circumstances**

**152.—**(1) Subject to sub-paragraphs (3) and (9), an applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time—

- (a) between the making of an application and a decision being made on it, or
- (b) after the decision is made (where the decision is that the applicant is entitled to a reduction under the authority’s scheme) including at any time while the applicant is in receipt of such a reduction.

(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 the authority’s scheme (a “relevant change of circumstances”) by giving notice to the authority—

- (a) in writing; or
- (b) by telephone—
  - (i) where the authority has published a telephone number for that purpose or for the purposes of rules 15 to 21 unless 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

(c) by any other means which the authority agrees to accept in any particular case,

within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

(3) The duty imposed on a person by sub-paragraph (1) does not extend to notifying—

- (a) changes in the amount of council tax payable to the authority;
- (b) changes in the age of the applicant or that of any member of his family;
- (c) 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 the authority's scheme to which he is entitled, other than the cessation of that entitlement to the benefit.

(4) For the purposes of sub-paragraph (3)(c) “**relevant benefit**” means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.

(5) Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (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.

(6) The duty imposed on a person by sub-paragraph (1) includes in the case of a person falling within class C (pensioners: alternative maximum council tax reduction), giving written notice to the authority of changes which occur in the number of adults in the dwelling or in their total gross incomes and, where any such adult ceases to be in receipt of state pension credit, the date when this occurs.

(7) A person who has been awarded a reduction under the authority's scheme who is also on state pension credit must report—

- (a) changes affecting the residence or income of any non-dependant normally residing with the applicant or with whom the applicant normally resides;
- (b) any absence from the dwelling which exceeds or is likely to exceed 13 weeks.

(8) In addition to the changes required to be reported under sub-paragraph (7), a person whose state pension credit comprises only a savings credit must also report—

- (a) changes affecting a child living with him which may result in a change in the amount of reduction under the authority's scheme allowed in his case, but not changes in the age of the child;
- (b) any change in the amount of the applicant's capital to be taken into account which does or may take the amount of his capital to more than £16,000;
- (c) any change in the income or capital of—
  - (i) a non-dependant whose income and capital are treated as belonging to the applicant in accordance with rule 32 (circumstances in which income of a non-dependant is to be treated as applicant's); or
  - (ii) a person to whom rule 34(2)(e) refers (partner treated as member of the household under rule 30),and whether such a person or, as the case may be, non-dependant stops living or begins or resumes living with the applicant.

(9) A person who is entitled to a reduction under the authority's scheme and on state pension credit need only report to the authority the changes specified in sub-paragraphs (7) and (8).

## **Part 10 – Extended Reductions**

### **Extended reductions (qualifying contributory benefits)**

**153.**—(1) Except in the case of an applicant who is in receipt of state pension credit, an applicant who is entitled to a reduction under a scheme (by virtue of falling within any of classes A to C) is entitled to an extended reduction (qualifying contributory benefits) where—

(a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;

(b) 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, increased earnings or increased number of hours are, expected to last five weeks or more;

(c) 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

(d) 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.

(2) An applicant must be treated as entitled to a reduction under the authority's scheme by virtue of falling within any of classes A to C where—

(a) the applicant ceased to be entitled to a reduction under the authority's scheme because the applicant vacated the dwelling in which the applicant was resident;

(b) 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

(c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

### **Duration of extended reduction period (qualifying contributory benefits)**

**154.**—(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.

(2) For the purpose of sub-paragraph (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.

(3) The extended reduction period ends—

(a) at the end of a period of four weeks; or

(b) on the date on which the applicant who is receiving the extended reduction (qualifying contributory benefits) has no liability for council tax, if that occurs first.

### **Amount of extended reduction (qualifying contributory benefits)**

**155.**—(1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) the applicant is entitled to is the greater of—

(a) the amount of reduction under the authority's scheme to which the applicant was entitled by virtue of falling within any of classes A to C in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;

(b) the amount of reduction under the authority's scheme to which the applicant would be entitled by virtue of falling within any of classes A to C for any reduction week during the extended reduction period, if rule 153 (extended reductions (qualifying contributory benefits)) did not apply to the applicant; or

(c) the amount of reduction under the authority's scheme to which the applicant's partner would be entitled by virtue of falling within any of classes A to C, if rule 153 did not apply to the applicant.

(2) Sub-paragraph (1) does not apply in the case of a mover.

(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 the authority's scheme, no reduction is to be awarded during the extended reduction period.

### **Extended reductions (qualifying contributory benefits): movers**

**156.**—(1) This paragraph applies—

(a) to a mover; and

(b) from the Monday following the day of the move.

(2) The amount of the extended reduction (qualifying contributory benefit) awarded from the Monday from which this paragraph applies until the end of the extended reduction period is the amount of reduction under the authority's ("the first authority") scheme which was payable 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.

(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 the first authority to—

(a) the second authority; or



(b) the mover directly.

**Relationship between extended reduction (qualifying contributory benefits) and entitlement to a reduction by virtue of classes A to C**

**157.**—(1) Where an applicant's reduction under the authority's scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in rule 153(1)(b) (extended reductions: qualifying contributory benefits), that reduction does not cease to have effect until the end of the extended reduction period.

(2) Rule 149 to 151 (period of entitlement and changes of circumstances) do not apply to any extended reduction (qualifying contributory benefits) payable in accordance with rule 155(1)(a) or rule 156(2) (amount of extended reduction: movers).

**Continuing reductions where state pension credit claimed**

**158.**—(1) This paragraph applies where—

- (a) the applicant is entitled to a reduction under the authority's scheme;
- (b) sub-paragraph (2) is satisfied; and
- (c) either—
  - (i) the applicant has attained the qualifying age for state pension credit;
  - or
  - (ii) the applicant's partner has actually claimed state pension credit.

(2) This sub-paragraph is only satisfied if the Secretary of State has certified to the authority that the applicant's partner has actually claimed state pension credit or that—

- (a) the applicant's award of—
  - (i) income support has terminated because the applicant has attained the qualifying age for state pension credit; or
  - (ii) income-based jobseeker's allowance or income-related employment and support allowance has terminated because the applicant has attained the qualifying age for state pension credit; and
- (b) the applicant has claimed or is treated as having claimed or is required to make a claim for state pension credit.

(3) Subject to sub-paragraph (4), in a case to which this paragraph applies, a person continues to be entitled to a reduction under the authority's scheme for the period of 4 weeks beginning on the day following the day on which the applicant's entitlement to income support or, as the case may be, income-based jobseeker's allowance or, income-related employment and support allowance, ceased, if and for so long as the applicant otherwise satisfies the conditions for entitlement to a reduction under the scheme.

(4) Where a reduction under that scheme is awarded for the period of 4 weeks in accordance with sub-paragraph (3), and the last day of that period falls on a day other than the last day of a reduction week, then a reduction under the scheme must continue to be awarded until the end of the reduction week in which the last day of that period falls.

(5) Throughout the period of 4 weeks specified in sub-paragraph (3) and any further period specified in sub-paragraph (4)—  
(a) the whole of the income and capital of the applicant is to be disregarded;  
(b) the maximum council tax reduction amount of the applicant is to be that which was applicable in his case immediately before that period commenced.

(6) The appropriate maximum council tax reduction amount is to be calculated in accordance with rule 139(1) if, since the date it was last calculated—  
(a) the applicant's council tax liability has increased; or  
(b) a change in the deduction under rule 140 (non-dependent deductions) falls to be made.

### **Extended reductions: movers into the authority's area**

**159.** Where—

(a) an application is made to the authority ("the current authority") for a reduction under its scheme, and  
(b) 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 its scheme by the amount of that extended reduction.

## **Part 11 – Appeals and Discretionary Reductions**

### **Procedure by which a person may appeal against certain decisions of the authority**

**160.**—(1) A person who is aggrieved by a decision of the authority which affects—

(a) the person's entitlement to a reduction under its scheme, or  
(b) the amount of any reduction to which that person is entitled,  
may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.

(2) The authority must—

(a) consider the matter to which the notice relates;  
(b) 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.

(3) Where, following notification under sub-paragraph (2)(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with sub-paragraph (2)(b) within two months of the service of his notice, he may appeal to a valuation tribunal under section 16 of the 1992 Act.

### **Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act**

**161.**—(1) An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made—

- (a) in writing,
- (b) by means of an electronic communication in accordance with rules 162 to 168, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

(2) Where—

- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
  - (b) a person in that class would otherwise be entitled to a reduction under its scheme,
- that person's application for a reduction under the authority's scheme may also be treated as an application for a reduction under section 13A(1)(c).

## **Part 12 – Electronic Communications**

### **Interpretation**

**162.** In this Part—

“**information**” includes an application, a certificate, notice or other evidence; and

“**official computer system**” means a computer system maintained by or on behalf of the authority for sending, receiving, processing or storing of any information.

### **Conditions for the use of electronic communication**

**163.**—(1) The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme.

(2) A person other than the authority may use an electronic communication in connection with the matters referred to in sub-paragraph (1) if the conditions specified in sub-paragraphs (3) to (6) are satisfied.

(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.

(4) The second condition is that the person uses an approved method of—

- (a) authenticating the identity of the sender of the communication;
- (b) electronic communication;
- (c) authenticating any application or notice delivered by means of an electronic communication; and
- (d) subject to sub-paragraph (7), submitting to the authority any information.

(5) The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes of this Part.

(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.

(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.

(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 Part.

### **Use of intermediaries**

**164.** The authority may use intermediaries in connection with—

- (a) the delivery of any information by means of an electronic communication; and
- (b) the authentication or security of anything transmitted by such means, and may require other persons to use intermediaries in connection with those matters.

### **Effect of delivering information by means of electronic communication**

**165.—**(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 the authority’s scheme on the day the conditions imposed—

- (a) by this Part; and
  - (b) by or under an enactment,
- are satisfied.

(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 sub-paragraph (1).

(3) Information may 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.

### **Proof of identity of sender or recipient of information**

**166.** If it is necessary to prove, for the purpose of any legal proceedings, the identity of—

- (a) the sender of any information delivered by means of an electronic communication to an official computer system; or
  - (b) 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.

### **Proof of delivery of information**

**167**—(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 is presumed to have been the case where—

- (a) any such information has been delivered to the authority, if the delivery of that information has been recorded on an official computer system; or
- (b) any such information has been delivered by the authority, if the delivery of that information has been recorded on an official computer system.

(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 is presumed not to be the case, if that information delivered to the relevant authority has not been recorded on an official computer system.

(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 is presumed to be that recorded on an official computer system.

### **Proof of content of information**

**168.** 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 is presumed to be that recorded on an official computer system.

## **Part 13 – Excess Reductions**

### **Meaning of excess reductions**

**169.** - In this Part “excess reduction” means any amount which has been allowed by way of a council tax reduction and to which there was no entitlement under these rules, whether on the initial decision or on a subsequent change of circumstance and includes any excess which arises by reason of a reduction in the amount a person is liable to pay in respect of council tax in consequence of –

- (a) regulations made under section 13 of the 1992 Act (reduction in the amount of a persons council tax); or
- (b) any discount to which that tax is subject by virtue of section 11 or 79 of the Act.

### **Recoverable excess reduction**

**170.** - (1) Any excess reduction, except benefit to which paragraph (2) applies, shall be recoverable.

(2) Subject to paragraph (4) and (5) and excepting any excess reduction arising in consequence of a reduction in tax or substitution to which rule 169 refers, this paragraph applies to excess reduction allowed in consequence of an official error, where the claimant or a person acting on his behalf or any other person to whom the excess reduction is allowed could not, at the time the reduction was allowed or upon the receipt of any notice relating to the

allowance of that reduction, reasonably have been expected to realise that it was excess reduction.

(3) In paragraph (2), “excess reduction allowed in consequence of an official error” means an overpayment caused by a mistake made whether in the form of an act or omission by—

(a) the relevant authority;

(b) an officer or person acting for that authority;

(c) an officer of—

(i) the Department for Work and Pensions; or

(ii) the Commissioners for Her Majesty’s Revenue and Customs, acting as such; or

(d) a person providing services to the Department or to the Commissioners referred to in (c), where the claimant, a person acting on his behalf or any other person to whom the payment is made, did not cause or materially contribute to that mistake, act or omission.

(4) Paragraph (2) shall not apply with respect to excess reduction to which rule 169(a) and (b) refers.

(5) Where in consequence of an official error a person has been awarded excess reduction, upon the award being changed any excess reduction which remains credited to him by the relevant authority in respect of a period after the date of the change, shall be recoverable.

#### **Authority by which recovery may be made**

**171.** The relevant authority which allowed the recoverable excess reduction may recover it.

#### **Persons from whom recovery may be sought**

**172.—**(1) Recoverable excess reduction shall be due from the claimant or the person to whom the excess benefit was allowed.

#### **Methods of recovery**

**173.—**(1) Without prejudice to any other method of recovery the authority may recover any recoverable excess reduction due from any person referred to in rule 172 (person from whom recovery may be sought) by any of the methods specified in paragraph (2).

(2) Excess reduction may be recovered either—

(a) by payment by or on behalf of the person to whom rule 172(1) refers; or

(b) by an addition being made by the authority to any amount payable in respect of the council tax concerned.

#### **Diminution of capital**

**174.—**(1) Where in the case of recoverable excess reduction, in consequence of a misrepresentation or failure to disclose a material fact (in either case whether fraudulent or otherwise) as to a person’s capital, or an error, other than one to which rule 170(2) (effect of official error) refers, as to the amount of a person’s capital, the excess reduction was in respect of a period (“the

excess reduction period”) of more than 13 reduction weeks, the authority shall, for the purpose only of calculating the amount of excess—

- (a) at the end of the first 13 reduction weeks of the excess reduction period, treat the amount of the capital as having been reduced by the amount of excess council tax reduction allowed during those 13 weeks;
- (b) at the end of each subsequent period of 13 reduction weeks, if any, of the excess reduction period, treat the amount of that capital as having been further reduced by the amount of excess council tax reduction allowed during the immediately preceding 13 reduction weeks.

(2) Capital shall not be treated as reduced over any period other than 13 reduction weeks or in any circumstances other than those, for which paragraph (1) provides.

**Sums to be deducted in calculating recoverable excess reduction**

**175.**—(1) In calculating the amount of recoverable excess reduction, the authority shall deduct any amount of council tax reduction which should have been determined to be payable in respect of the whole or part of the overpayment period—

- (a) on the basis of the claim as presented to the authority;
- (b) on the basis of the claim as it would have appeared had any misrepresentation or nondisclosure been remedied before the decision; or
- (c) on the basis of the claim as it would have appeared if any change of circumstances had been notified at the time that change occurred.

(2) In calculating the amount of recoverable excess reduction, the authority may deduct so much of any payment of council tax in respect of the excess reduction period which exceeds the amount, if any, which the claimant was liable to pay for that period under the original erroneous decision.