

Appendix B – Summary of the technical changes to the scheme

Aligning the rules for pensioners and working age claimants

The rules on local council tax support schemes for pensioners are set by the government and change every year. The rules for working-age residents are set by the Council and have not changed since 2013. We propose to update aspects of our scheme for working-age people so that the same rules are applied to both.

Proposal one:

To align the two schemes so that the non-dependant deductions for working-age residents are the same as for pensioners and would change each year like the rates set for pensioners by the government.

What are the non-dependant deduction rates?

If someone receiving council tax support lives with another adult (for example a grown-up son or daughter), the amount of support received could reduce, depending on that adult's circumstances. This is called a non-dependant deduction. For pensioners, the amount of deductions is set by the government and has increased every year. For working-age residents, the deductions have stayed the same. For example, if the adult living with you earns £300 per week, your support would currently reduce by £6.55 per week if you are in work, or £8.10 per week if you are a pensioner.

Proposal two:

To align the two schemes so that the same temporary absence from Great Britain rules which apply to pensioners are applied to working age claimants, i.e. four weeks.

What are the temporary absence rules?

At the moment, if you are of pension age and temporarily leave Great Britain, you will normally stop receiving council tax support after four weeks, although this can be extended in some circumstances. However, if you are of working age and receive council tax support, you can leave Great Britain for up to 13 weeks and continue to receive that support.

Making the scheme work better for Universal Credit claimants

Universal Credit is a new benefit for low-income, working-age people. It replaced several working-age, means-tested benefits. Most people who receive council tax support also receive other means-tested benefits and will be moved over to Universal Credit in the next five years. If you are a Universal Credit

claimant, these changes will make it easier to understand your council tax support award.

Proposal one:

We would like to increase the disregard towards pension contributions from 50% to 100%.

How we calculate your earnings for assessments

For council tax Support assessments, we currently look at your gross earnings minus income tax, national insurance and 50% of any pension contributions.

For Universal Credit assessments, we use your gross earnings minus income tax, national insurance and 100% of any pension contributions.

We would like to use the same assessment method for council tax support as for Universal Credit and minus 100% of any pension contributions from the earnings we use for assessments.

Proposal two:

We propose to ignore Bereavement Support Payments and Universal Credit Transitional Severe Disability Payments within the calculation for council tax support assessments.

Disregarding incomes from council tax support scheme

There are two new ways people receive money which are not counted as income as part of Universal Credit assessments but are included as part of council tax support assessments:

- Bereavement Support Payments (paid to bereaved adults and families)*
- Universal Credit Transitional Severe Disability Payments (compensation for money lost due to moving to Universal Credit).*

Proposal three:

We would like changes of circumstances to reflect the same dates as your monthly assessment period of Universal Credit.

Aligning dates from which changes in circumstances take effect.

Universal Credit is calculated on a monthly assessment period. Council Tax Support is calculated from the Monday after any change of circumstances. We would like changes of circumstances to reflect the same dates as your monthly assessment period on Universal Credit.

Simplifying the claim process

Proposal one:

We want to make it easier to backdate council tax support for up to six months without the need to explain why you didn't claim earlier (i.e. to remove the good cause provision).

Backdated claims

Currently, even if you have all the evidence to show that you were entitled to claim support, we can only backdate it if you provide an acceptable reason why they could not make the claim earlier.

Proposal two:

We propose to not require a new application within six months of a previous claim ending, where we have the financial information to confirm entitlement.

Re-claiming

Currently, if you lose entitlement to council tax support (for example because you earn more in a particular month) and want to make another claim (because your earnings decreased the following month) you would need to complete a new application.