

# **The Council Tax Reduction Scheme**

**(London Borough of Croydon April 2024)**



# The Council Tax Reduction Scheme

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# Preamble

## 1.0 Introduction

From 1 April 2013, council tax support in the form of council tax benefit (CTB) was abolished by Central Government. It was the duty of each billing authority in England to create a localised council tax support scheme, in the form of a council tax reduction scheme, by 31 January 2013, for that scheme to come into force when the CTB regime was abolished.

The enabling provisions are contained in section 10 of, and Schedule 4 to, the Local Government Finance Act 2012, which inserted section 13A and Schedule 1A respectively into the Local Government Finance Act 1992.

The provisions allow the Council, as the Billing Authority (the Authority) to use its discretion to design a scheme to support those not of pension age. The scheme is however required to contain certain prescribed provisions. The provisions which must be included in local council tax reductions schemes are set out in The Council Tax Reduction Schemes (Prescribed Requirements Scheme) (England) Regulations 2012 SI 2885, as amended (the Prescribed Requirements Regulations).

## 1.1 Pensioners

Billing authorities must protect pensioners by providing the same level of support as operated under the CTB scheme. This has been provided by a prescribed local scheme for pensioners with national rules.

This means that the Authority has no discretion over the method, or level of support, provided to pensioners. Pensioners are protected from any further reductions in the current level of support by Parts 1 to 3 of, and Schedules 1 to 6, 7 and 8 to, the Prescribed Requirements Regulations, where they apply to Pensioners.

This document therefore concentrates on the local council tax support scheme for persons who are not pensioners; the scheme for pensioners is set out in The Council Tax Reduction Scheme (Pensioners) (London Borough of Croydon) 2013.

## 1.2 Persons who are not pensioners

The Authority was required by regulations to design a local council tax reduction scheme for people of working age, subject to certain prescribed requirements, by 31 January 2013. Each financial year since that date the Authority has been required to consider whether to revised or replace its scheme.

## 1.3 Work Incentives

The Authority's scheme is required to meet the basic requirements of encouraging and incentivising work. The Government does not prescribe by regulations how the Authority provides for work incentives in its scheme; it is for the Authority to decide how best to provide work incentives for its individual communities.



The Authority will introduce working disregards to incentivise work in their April 2022 Income Band Scheme. A £50 per week work disregard is awarded to disabled residents in work. For the purposes of this scheme the definition of vulnerability is described in the next section.

#### **1.4. Vulnerability**

The Government does not prescribe by regulation which class of person(s) is/are defined as vulnerable. Instead, it is for the Authority to decide, having regard to its duties under the Acts referred to below.

In making its scheme, the Authority has had due regard to the Equality Act 2010, public sector equality duties with regard to –

age, disability, gender reassignment, pregnancy and maternity, race, religion

- or belief, sex or sexual orientation, and
- Child Poverty Act 2010, the duty to mitigate effects of child poverty, and
- Disabled Persons (Services, Consultation and Representation) Act 1986, and
- Chronically Sick and Disabled Persons Act 1970, the duties relating to the welfare needs of disabled people, and
- Housing Act 1996, the duty to prevent homelessness, and
- Armed Forces Covenant, to recognise what our Armed Forces do for us, especially the injured and the bereaved

The following classes of person are deemed to be vulnerable for the purpose of Class A2 (see Regulation 35 of the Scheme) - applicant or any partner who is registered/certified as blind; an applicant who would under the preceding scheme have had an underlying entitlement to a -

- disability premium;
- enhanced disability premium;
- severe disability premium;
- component (employment and support allowance)
- enhanced disabled child premium;
- applicant or any partner who is awarded the universal credit capability for work element
- applicant or any partner who receives a permitted work earnings disregard;
- applicant or any partner who receives a War Disablement Pension; applicant who receives a War Widow's or War Widowers Pension
- applicant or any partner who is a care leaver within the scope of the provisions of the scheme

- applicant has been awarded a disabled band reduction on their council tax for the dwelling they are making a claim for support.

## **1.5 Financial Considerations**

The financial risks associated with any council tax support system were transferred from central government to local government in 2013/14.

The government reduced the grant paid to the authority for council tax support by at least 10% of the sum paid for council tax benefit. This means the authority had at least a predicted £1.1 million (excluding GLA) less money available for council tax reduction in 2013/14 than it had for Council Tax Benefit (CTB) 2012/13.

The government also changed the way in which it pays the grant to the Authority for the amount of money paid out as council tax reduction. Instead of the Authority making a subsidy claim at the end of the financial year and being reimbursed almost pound for pound for money spent on CTTB entitlements. The government provides an up-front sum of money at the beginning of the financial year; a fixed grant that is not ring-fenced to local council tax reduction schemes.

The grant is a pre-set sum of money that is not adjusted at the end of the financial year to take account of any overspend or underspend due to increases or decreases in the number and amount of entitlements to a council tax reduction. The Authority is not prevented from using its own financial resource to add to the spend.

The Authority has also considered the financial implications to its precepting authorities, the Greater London Authority, the Metropolitan Police, the London Fire and Emergency Planning Authority and Transport for London.

## **2.0 Matters to be included**

### **2.1 Interpretation**

2.1.1 scheme” means council tax reduction scheme.

2.1.2 In relation to the scheme “the authority” means the billing authority which made the scheme, that is London Borough of Croydon.

2.1.3 “1992 Act” means the Local Government Finance Act of 1992.

2.1.4 “2012 Act” means Local Government Finance Act 2012.

2.1.5 “Prescribed Requirements” means The Council Tax Reduction Schemes (Prescribed Requirements Scheme) (England) Regulations 2012 SI 2885.

### **2.2 Matters to be included in the scheme.**

2.2.1 A scheme must state the classes of person who are to be entitled to a reduction under the scheme.

2.2.2 The classes may be determined by reference to, in particular -

- a) the income of any person liable to pay council tax to the authority in respect of a dwelling;
- b) the capital of any such person;
- c) the income and capital of any other person who is a resident of the dwelling;
- d) the number of dependents of any person within paragraph (a) or (c);
- e) Whether the person has made an application for the reduction.

2.2.3 A scheme must set out the reduction to which persons in each class are to be entitled; and different reductions may be set out for different classes.

2.2.4 A reduction may be—

- a) a discount calculated as a percentage of the amount which would be payable apart from the scheme,
- b) a discount of an amount set out in the scheme or to be calculated in accordance with the scheme,
- c) expressed as an amount of council tax to be paid (lower than the amount which would be payable apart from the scheme) which is set out in the scheme or is to be calculated in accordance with it, or
- d) The whole amount of council tax (so that the amount payable is nil).

2.2.5 A scheme must state the procedure by which a person may apply for a reduction under the scheme or under Section 13A (1) (c) of the 1992 Act.

2.2.6 A scheme must state the procedure by which a person can make an appeal against any decision of the authority which affects -

- a) the person's entitlement to a reduction under the scheme, or
- b) the amount of any reduction to which the person is entitled.

2.2.7 A scheme must state -

- a) classes of person which must or must not be included in a scheme;
- b) reductions, including minimum or maximum reductions, which must be applicable to persons in stated classes;
- c) requirements which must be met by the procedure mentioned in 2.2.5

2.2.8 Subject to compliance with the Prescribed Requirements, a scheme may make provision that is equivalent to provisions made or capable of being made under -

- a) sections 131 to 133 of the Social Security Contributions and Benefits Act 1992 (council tax benefit);
- b) sections 134 to 137 of that Act (general provisions about income-related benefits) so far as applying in relation to council tax benefit;
- c) section 1 of the Social Security Administration Act 1992 (entitlement to benefit dependent on claim) so far as applying in relation to council tax benefit;
- d) section 6 of that Act (regulations about council tax benefit administration),
- e) section 32 to 34 of the Welfare Reform Act 2007 (benefit for persons taking up employment) so far as applying in relation to council tax benefit as it had effect on the day on which the Local Government Finance Act 2012 was passed and with such modifications as the authority thinks fit.

2.2.9 In exercising any function relating to its scheme, the authority must have regard to any guidance issued by the Secretary of State.

### **2.3 Revisions to and replacement of scheme**

2.3.1 For each financial year, the authority must consider whether to revise its scheme or to replace it with another scheme.

2.3.2 The authority must make any revision to its scheme, or any replacement scheme, no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect.

2.3.3 If any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class of persons is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit.

# The Council Tax Reduction Scheme (Persons who are not Pensioners) (London Borough of Croydon) 2023

Approved and Made by Council

1 March 2023

Coming into effect

1 April 2023

London Borough of Croydon makes the following Scheme in exercise of the functions conferred by section 13A (1) (a), (2), (3) of, and Schedule 1A to, the Local Government Finance Act 1992 and all other enabling powers, accordance with Parts 1 to 3 of, and Schedules 7 to 8 to, The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.

## **Citation, commencement and application**

- (1) This scheme may be cited as the Council Tax Reduction Scheme (Persons who are not Pensioners) (London Borough of Croydon) 2023 and comes into effect on 01 April 2023.
- (2) This scheme applies in relation to the billing authority in England known as London Borough of Croydon (the Authority).

## **Prescribed Statutory Requirements**

The Authority sets out in Chapter 1, Parts 1 - 9, the Prescribed Requirements that must apply to all applicants for a council tax reduction in accordance with Parts 1 to 3 of, and Schedules 7 to 8 to, the Council Tax Reduction Schemes (Prescribed Requirements)

(England) Regulations 2012

# Chapter 1 - Prescribed Statutory Requirements

## Part 1 - Introduction

### 1. Citation, amendment and application

- (1) This scheme may be cited as the Council Tax Reduction Scheme (Persons who are not Pensioners) (London Borough of Croydon) 2023 and comes into effect on 1<sup>st</sup> April 2023
- (2) This scheme applies in relation to the billing authority in England known as London Borough of Croydon and references in this scheme to “an authority” and “the authority” shall be to London Borough of Croydon unless the context otherwise requires.
- (3) This scheme applies to all persons who are not pensioners.
- (4) if this scheme omits or is inconsistent with any of the requirements relating to persons who are not pensioners contained in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (including any re-enactment or amendments thereof), the scheme shall be construed in such a way as to correct the omission or inconsistency.
- (5) Typographical or clerical errors in the scheme may be corrected subject to the approval of the officer with overall responsibility for council tax matters (currently interim Corporate Director of Resources).

### Part 2 - Interpretation

- (1) In this scheme -

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

“the Administration Act” means the Social Security Administration 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;

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

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

“assessment period” means -

- (a) In relation to the earnings of an employed earner, in accordance with paragraph 47 for the purpose of calculating the weekly earnings of the applicant, or
- (b) in relation to the earnings of a self-employed earner, in accordance with paragraph 48 for the purpose of calculating the weekly earnings of the applicant; or
- (c) in relation to any other income, in accordance with paragraph 55 for the purpose of calculating the weekly income of the applicant;

“attendance allowance” means -

- (a) an attendance allowance under Part 3 of SSCBA
- (b) an increase of disablement pension under section 104 or 105 of that Act;
- (c) a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983 or any analogous payment; or;
- (d) any payment based on need for attendance which is paid as part of a war disablement pension;

“the authority” means the London Borough of Croydon in relation to whose area this scheme has effect by virtue of paragraph 4(6) of Schedule 1A to the 1992 Act; “basic rate” has the meaning given by the Income Tax Act 2007;

“the benefit Acts” means the SSCBA, the Jobseeker's Act 1995, the State Pension Credit Act 2002 and the Welfare Reform Act 2007;

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

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

“care leaver” means a person who;-

- (a) has not attained the age of 25 years and was formerly provided with accommodation under section 20 of the Children Act 1989;
- (b) who has not attained the age of 25 years and has ceased to be subject to a supervision requirement by a children's hearing under section 70 of the

Children (Scotland) Act 1995 ("the 1995 Act") made in respect of him which had continued after he attained the age of 16 years, other than a case

where—

- (I) the ground of referral was based on the sole condition as to the need for compulsory measures of care specified in section 52(1)(i) of the 1995 Act (commission of offences by child); or
  - (II) he was required by virtue of the supervision requirement to reside with a parent or guardian of his within the meaning of the 1995 Act, or with a friend or relative of his or of his parent or guardian;
- (c) who has not attained the age of 25 years and has ceased to be a child in relation to whom the parental rights and responsibilities were transferred to a local authority under a parental responsibilities order made in accordance with section 86 of the 1995 Act or treated as so vested in accordance with paragraph 3 of Schedule 3 to that Act or has ceased to be a child in relation to whom a permanence order under section 80 of the Adoption and Children (Scotland) Act 2007 has been made, or treated as being made, either—
- (i) after he attained the age of 16 years; or
  - (ii) before he attained the age of 16 years, but had continued after he attained that age; or
- (d) who has not attained the age of 25 years and has ceased to be provided with accommodation by a local authority under section 25 of the 1995 Act where he has previously been provided with accommodation by the authority under that provision either—
- (i) after he attained the age of 16 years; or
  - (ii) before he attained the age of 16 years, but had continued to be in such accommodation after he attained that age; or
- (e) who is a person who has not attained the age of 25 years and has ceased to be subject to a compulsory supervision order within the meaning of section 83 of the Children's Hearings (Scotland) Act 2011 ("the 2011 Act") which had continued after that person attained the age of 16 years, other than a case.

where—

- (f) the section 67 ground (within the meaning of that Act) was based on the sole condition as to the need for compulsory measures of supervision specified in section 67(2)(j) (the child has committed an offence) of the 2011 Act; or



- (l) that person was required by virtue of the compulsory supervision order to reside with a parent or guardian of that person within the meaning of the 1995 Act, or with a friend or relative of that person or of that person's parent or guardian.

"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 a contributory 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 paragraph 4;

"Default Scheme Regulations" means the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012;

"designated office" means the office of an 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 paragraph 51;

“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;

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

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

“enactment” includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament;

“extended reduction (qualifying income-related benefit)” means a reduction under this scheme for which a person is eligible under Part 19;

“extended reduction period” means the period for which a person is in receipt of an extended reduction in accordance with paragraphs 24, 88 and 93;

“extended reduction (qualifying contributory benefits)” means a reduction under this scheme for which a person is eligible in accordance with Part 19;

“family” has the meaning given by paragraph 6;

“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 for the purpose of providing compensation or support in respect of the fire on 14th June 2017 at Grenfell Tower; , or a payment to the personal representative of such a person—

- (a) from the £5 million fund announced on 16th June 2017 for the benefit of certain persons affected by the fire on 14th June at Grenfell Tower and known as the Grenfell Tower Residents’ Discretionary Fund;
- (b) by the Royal Borough of Kensington and Chelsea; or
- (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;

“Housing costs element” has the meaning given by regulation 21 of the Universal Credit Regulations 2012;

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

“an income-based jobseeker’s allowance” and “a joint-claim jobseeker’s allowance” have the meanings given by the Jobseeker’s Act 1995 by virtue of section 1(4) of that Act;

“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 healthcare 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 dependents of victims) of the terrorist attacks carried out in London on 7th July 2005;

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

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

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

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

“main phase employment and support allowance” means an employment and support allowance where the calculation of the amount payable in respect of the applicant includes a component under section 2(1)(b) or 4(2)(b) of the Welfare Reform Act 2007;

“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” means the amount determined in accordance with paragraph 41;

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

“MFET Limited” means the company limited by guarantee (number 7121661) of that name, established for the purpose in particular of making payments in accordance

with arrangements made with the Secretary of State to persons who have acquired HIV as a result of treatment by the NHS with blood or blood products;

“mobility supplement” means a supplement to which paragraph 13 of Schedule 3 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 28th March 2019;

“net earnings” means such earnings as are calculated in accordance with paragraph 52 (calculation of net earnings of employed earners);

“net profit” means such profit as is calculated in accordance with paragraph 67 (calculation of net profit of self-employed earners);

“new dwelling” means, for the purposes of the definition of “second authority” and paragraphs 90 and 95 the dwelling to which an applicant has moved, or is about to move, in which the applicant will be resident;

“non-dependant” has the meaning given by paragraph 9;

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

- a) meeting, or helping to meet an immediate short-term need—
  - (I) arising out of an exceptional event or exceptional circumstances, or
  - (II) that needs to be met to avoid a risk to the well-being of an individual, and
- b) enabling qualifying individuals to establish or maintain a settled home, and—
  - (I) “local authority” has the meaning given by section 270(1) of the Local Government Act 1972; and
  - (II) “qualifying individuals” means individuals who have been, or without the assistance might otherwise be—
    - a. in prison, hospital, an establishment providing residential care or other institution, or
    - b. homeless or otherwise living an unsettled way of life;

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

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

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

“partner”, in relation to a person, means -

- a) here that person is a member of a couple, the other member of that couple;
- b) subject to paragraph (c), where that person is polygamously married to two or more members of his household, any such member to whom he is married; or
- c) where that person is polygamously married and has an award of universal credit with the other party to the earliest marriage that still subsists, that other party to the earliest marriage;

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

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

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

“pensioner” has the meaning given by paragraph 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 paragraph 12;

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

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

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

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

(b) otherwise payable following the judgment in *Bates and Others v Post Office Ltd* ((No. 3) “Common Issues”<sup>(1)</sup>);

“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 person” means;

(a) a person in respect of whom a Grenfell Tower support payment has been made, a 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, a Windrush payment, a Post Office compensation payment or a vaccine damage payment, the National Emergencies Trust, the Victims of Overseas Terrorism Compensation Scheme 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 paragraph 10;

“rent” means “eligible rent” to which regulation 12 of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 refer, less any deductions in respect of non-dependants which fall to be made under paragraph 48 (non- dependant deductions);

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

“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 75 G 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 person’s scheme’s provisions;

“sports award” means an award made by one of the Sports Councils named in section 23(2) of the National Lottery 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(c);

“student” has the meaning given by paragraph 73;

“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;

“vaccine damage payment” means a payment made under the Vaccine Damage Payments Act 1979(2);

“the Victims of Overseas Terrorism Compensation Scheme” means the scheme of that name established by the Ministry of Justice in 2012 under section 47 of the Crime and Security Act 2010(3);”.

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

“the Windrush Compensation Scheme” means—

- (a) the scheme of that name(d) 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”(e) 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;”

“week” means a period of seven days beginning with a Monday;

“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 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

“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;

“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.

- 1) In this scheme, where an amount is to be rounded to the nearest penny, a fraction of a penny must be disregarded if it is less than half a penny and must otherwise be treated as a whole penny.
- 2) For the purpose of this scheme, a person is on an income-based jobseeker's allowance on any day in respect of which an income-based jobseeker's allowance is payable to him and on any day -
  - (a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's allowance but where the allowance is not because of a reduction paid in accordance with regulation 27A of the Jobseeker's Allowance Regulations 1996 or section 19 or 19A or regulations made under section 17A or 19B of the Jobseeker's 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).
- (3) For the purposes of this scheme, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day -
  - (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 (disqualification); or
  - (b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act (employment and support allowance; supplementary provisions) and which falls immediately before a day in respect of which an income-related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.
- (4) For the purposes of this scheme, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.
- (5) In this scheme, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).
- (6) In this scheme, references to a person in class A1 or A2 (as the case may be) is a reference to class A1 or A2 described in paragraphs 34 and 35.
- (7) References in this scheme 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, in their capacity as a user, potential user, carer of a user or person otherwise affected by the provision of those services;
- (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.

### **3. Application of scheme: pensioners and persons who are not pensioners**

In this scheme a person is-

- (a) a “pensioner” if -
  - (i) he has attained the qualifying age for state pension credit; and
  - (ii) he is not, or, 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.

#### **4. Meaning of “couple”**

In this scheme “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.

#### **5. Polygamous marriages**

This paragraph 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.

For the purposes of paragraph 4 neither party to the marriage is to be taken to be a member of a couple.

#### **6. Meaning of “family”**

- 1) In this scheme “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
- (3) The references to a young person in sub-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.

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

- (1) A person is to be treated as responsible for a child or young person who is normally living with him, including a child or young person to whom paragraph 6(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 sub-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 this scheme, a child or young person is the responsibility of only one person in any reduction week and any person other than the one treated as responsible for the child or young person under this regulation is to be treated as not so responsible.

## **8. Households**

- (1) Subject to sub-paragraphs (2) and (3), an applicant and any partner and, where the applicant or his partner is treated, by virtue of sub-paragraph 7, as responsible for a child or young person, that child or young person and any child of that child or young person, are to be treated as members of the same household notwithstanding that any of them is temporarily absent from that household.
- (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 in Scotland boarded out or placed with the applicant or his partner under a relevant enactment or in Wales, placed with the applicant or the applicant's partner by a local authority under section 81 of the Social Services and Well-being (Wales) Act 2014 or by a voluntary organisation under section 59(1)(a) of the Children Act 1989; or
  - (b) placed, or in Scotland boarded out, with the applicant or his partner prior

- (c) placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009 or the Adoption (Northern Ireland) Order 1987.
- (3) Subject to sub- paragraph (4), sub-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) An authority must treat a child or young person to whom sub-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 paragraph " relevant enactment" means-
  - (a) the Army Act 1955;
  - (b) the Air Force Act 1955;
  - (c) the Naval Discipline Act 1957;
  - (d) the Matrimonial Proceedings (Children) Act 1958;
  - (e) the Social Work (Scotland) Act 1968;
  - (f) the Family Law Reform Act 1969;
  - (g) the Children and Young Persons Act 1969; (h) the Matrimonial Causes Act 1973;
  - (i) the Children Act 1975;
  - (j) the Domestic Proceedings and Magistrates' Courts Act 1978;
  - (k) the Adoption and Children (Scotland) Act 2007;
  - (l) the Family Law Act 1986; (m) the Children Act 1989;
  - (n) the Children (Scotland) Act 1995; and
  - (na) the Children's Hearings (Scotland) Act 2011; and
  - (o) the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

## 9. Non-dependants

- (1) In this scheme, “non-dependant” means any person, except someone to whom sub-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 polygamous 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 paragraph 8 (households);
  - (d) subject to sub-paragraph (3) , any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under section 6 or 7 of the 1992 Act (persons liable to pay council tax);
  - (e) subject to sub-paragraph (3), any person who is liable to make payments on a commercial basis to the applicant or the applicant’s partner in respect of the occupation of the dwelling;
  - (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.



## **10. Remunerative work**

- (1) Subject to the following provisions of this paragraph, a person must be treated for the purposes of this scheme as engaged in remunerative work if he is engaged, in work for which payment is made or which is done in expectation of payment.
- (2) A person must be treated as engaged in remunerative work during any period for which he is absent from work referred to in sub paragraph (1) if the absence is either without good cause or by reason of a recognised, customary or other holiday.
- (3) 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.
- (4) 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.
- (5) 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.

## **Part 3 - Prescribed classes of persons**

### **11. Pensioners**

Pensioners are a class of person prescribed for the purposes of paragraph 2(9) (b) of Schedule 1A to the 1992 Act and who are included in the authority's scheme under The Council Tax Reduction Scheme (Pensioners) (London Borough of Croydon) 2013.

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

- (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 an authority's scheme.
- (2) Except where a person falls within sub-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 sub-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; or
  - (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—
    - (i) a jobseeker for the purpose of the definition of “*qualified person*” in regulation 6(10) of those Regulations, or
    - (ii) 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(a) 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 Appendix EU to the immigration rules made under section 3(2) of that Act; or
- (c) having arrived in the United Kingdom with an entry clearance that was granted under Appendix EU (Family Permit) to the immigration rules made under section 3(2) of that Act.

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

(za) a person granted leave in accordance with the immigration rules made under section 3(2) of the Immigration Act 1971(1), where such leave is granted by virtue of—

(i) the Afghan Relocations and Assistance Policy; or

(ii) the previous scheme for locally-employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);

(zb) a person in Great Britain not coming within sub-paragraph (za) or (e) who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;

(zc) a person in Great Britain who was residing in Ukraine immediately before 1st January 2022, left Ukraine in connection with the Russian invasion which took place on 24th February 2022 and—

(i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;

(ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or

(iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;”;

(zd) a person who was residing in Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon immediately before 7th October 2023, left Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon in connection with the Hamas terrorist attack in Israel on 7th October 2023 or the violence which rapidly escalated in the region following the attack and—

(i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971(1),

(ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act(2), or

(iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;

(ze) a person who was residing in Sudan before 15th April 2023, left Sudan in connection with the violence which rapidly escalated on 15th April 2023 in Khartoum and across Sudan and—

(i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971,

(ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act, or

(iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;

- (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) (b), provided that the relevant person of Northern Ireland falls within paragraph (5) (a), or would do so but for the fact that they are not an EEA national
- (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(8)
- (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 —
  - (I) to remain under the Destitution Domestic Violence concession which came discretionary leave to enter or remain in the United Kingdom,
  - (II) leave into effect on 1st April 2012,
  - (III) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005 or
  - (IV) granted under the Afghan Citizens Resettlement Scheme<sup>(2)</sup>
- (f) a person who has humanitarian protection granted under those rules; or
- (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 on an income-related employment and support allowance; or
- (ha) in receipt of an income-based jobseeker's allowance and has a 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 scheme -

"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(c); 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)

"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

"Her Majesty's forces" has the same meaning as in the Armed Forces Act 2006.

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

- (1) Subject to sub-paragraph (1A), 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 an authority's scheme.
  - (1A) A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance 3 (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purpose of sub-paragraph (1).
- (2) "Person subject to immigration control" has the same meaning as in section 15(9) of the Immigration and Asylum Act 1999.

## **Part 4 - Procedural Matters**

### **14. Procedure by which a person may apply for a reduction under this authority's scheme**

- (1) Sub-paragraphs (2) to (11) apply to an application made under the authority's scheme.
- (2) An application may be made,-
  - (a) in writing,
  - (b) by means of an electronic communication in accordance with Part 5 , or
  - (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
- (3) An application which is made in writing must be made to the designated office of the authority on a properly completed form.
- (4) The form must be provided free of charge by the authority for the purpose.
- (5) 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 (5)(a) applies, request the applicant complete the defective application or, in the case to which sub-paragraph (5)(b) applies, supply the applicant with the approved form or request further information and
- (6) 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.
- (7) 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.
- (8) An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.
- (9) 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.
- (10) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.
- (11) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

## **15. Procedure by which a person may appeal against certain decisions of the authority**

- (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.

## **16. Procedure for an application for a discretionary reduction under Section 13(1) (c) of the 1992 Act**

- (1) An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act must be made -
  - (a) in writing,
  - (b) by means of an electronic communication in accordance with Part 5 of this scheme 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 5 - Electronic Communication**

### **17. Interpretation**

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.

### **18. Conditions for the use of electronic communication**

- (1) The authority may use an electronic communication in connection with applications for, and awards of, council tax reductions under this scheme.
- (2) A person other than that 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.

### **19. Use of intermediaries**

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.



## **20. Effect of delivering information by means of electronic communication**

- (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 subparagraph (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.

## **21. Proof of identity of sender or recipient of information**

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.

## **22. Proof of delivery of information**

- (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 relevant 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 relevant 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.

### **23. Proof of content of information**

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 6 - Extended Reductions: Movers**

### **24. Extended reductions: movers into an authority's area**

Where —

- (a) an application is made to an 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 7 - Applications**

### **25. Making an application**

- (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 apply, 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, an 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 an 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 paragraph 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 paragraph 29(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.

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

- (1) Subject to sub-paragraph (7), the date on which an application is made is -
  - (a) 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 for a reduction is made within one month of the date on which the claim for 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;

- (b) 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 for a reduction 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 applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under an 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;

- (d) 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 the applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

- (e) 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)(a) 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 Jobseeker's 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 paragraph 14(10) (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, and 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) An 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 paragraph 14(5)(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 paragraph 14(5)(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,

the applicant supplies whatever information or evidence was requested under paragraph 14(5) 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 an 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 that 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 an 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 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 jobseekers allowance or an employment and support allowance.

## **27. Information and evidence**

- (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.

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.
- (2) 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 ;
  - (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.
- (3) 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.
- (4) Nothing in this paragraph requires a person to furnish any certificates, documents, information or evidence relating to which sub -paragraph (7) applies;
- (5) Where an 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 paragraph 29 (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 paragraph 29, 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.
- (6) 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;
  - (b) a payment which is disregarded under paragraph 29 of Schedule 3 (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 paragraph 42(9).
- (7) 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.

## **28. Amendment and withdrawal of application**

- (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 paragraph 14, the amendment may also be made by telephone.
- (3) Any application amended in accordance with sub-paragraph (1) or (2) will be treated as if it had been amended in the first instance.
- (4) A person who has made an application may withdraw it at any time before a decision has been made on it by notice to the offices of the authority.
- (5) Where the application was made by telephone in accordance with paragraph 14, 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.

## **29. Duty to notify changes of circumstances**

- (1) Subject to sub-paragraphs (3) and (6) 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 an 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 paragraph 14 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) or 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.

## **PART 8 - Decisions by the authority**

### **30. Decision by the authority**

The authority must make a decision on an application under this scheme within 14 days of paragraphs 25 and 26 being satisfied, or as soon as reasonably practicable thereafter.

### **31. Notification of decision**

- (1) The authority must notify any person affected by a decision made by it under this scheme in writing -
- (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 paragraph 29;
  - (b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and
  - (c) setting out examples of the circumstances, a change in which might affect entitlement to a 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 an 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 (2) 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 (6).
- (8) This paragraph applies to -

the applicant;

- (a) 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 -

a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or

- (i) 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
  - (ii) 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,
- (b) a person appointed by the authority under paragraph 25(3); (persons appointed to act for a person unable to act).

## **PART 9 - Award or payment of reduction**

### **32. Payment where there is joint and several liability**

- (1) Where—
  - (a) a person is entitled to a reduction under this scheme in respect of his liability for the authority's council tax as it has effect in respect of a 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 an authority's scheme made the application and that first person is a person acting pursuant to an appointment under paragraph 25(3) or is treated as having been so appointed by virtue of paragraph 25(4), the amount of the reduction may be paid to that person.

## **Chapter 2 - Local Scheme Requirements**

### **Part 10 - Classes of person entitled to a reduction under this scheme**

#### **33. Classes of person entitled to a reduction under this scheme**

- (1) The classes of person described in paragraphs 34 and 35 may be entitled to a reduction under this scheme.
- (2) In those paragraphs, references to the applicant's capital refer to the applicant's capital as determined in accordance with Parts 13 and 15 of this scheme.

#### **34. Class A1: Persons who are entitled to a reduction**

On any day Class A1 consists of any person -

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident; who, subject to paragraph 36 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (b) in respect of whom a maximum council tax reduction amount can be calculated;
- (c) who does not fall within a class of person not entitled to a reduction under this scheme; and
- (d) who has made an application, or is treated as having made an application, for a reduction under paragraph 25.

#### **35. Class A2: Persons who are entitled to a reduction and are considered to require additional financial assistance**

On any day Class A2 consists of any person -

who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;

- (a) who, subject to paragraph 36 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (b) in respect of whom a maximum council tax reduction amount can be calculated;
- (c) who does not fall within a class of person not entitled to a reduction under this scheme;

who has made an application, or is treated as having made an application, for a reduction under paragraph 25, and

is a person who falls within one or more of the following categories –

- (i) the applicant, or the applicant's partner, is registered / certified as blind;
- (ii) the applicant, or the applicant's partner, satisfies one or more of the conditions described in Schedule 1 (supplementary qualifying conditions for persons whom the authority considers require additional financial assistance)
- (iii) the applicant, or the applicant's partner, is in receipt of an award of universal credit that includes either the limited capability for work, or the limited capability for work related activity element;
- (iv) the applicant, or the applicant's partner receives a permitted work earnings disregard;
- (v) the applicant, or the applicant's partner, receives a War Disablement Pension;
- (vi) the applicant, or the applicant's partner is in receipt of an award of income related employment and support allowance that includes either the work related activity group, or the support group component.

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

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

- (1) 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 One calendar month 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.
- (2) 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) 6 months absence 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) 6 months absence is, in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;
  - (h) is a student;
  - (i) 6 months absence is receiving care provided in residential accommodation and is not a person to whom sub-paragraph (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.

- (3) 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(86) or the Prisons (Scotland) Act 1989(87).
- (4) 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.
- (5) In this paragraph -

“medically approved” means certified by a medical practitioner;

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

“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.

### **36A. Temporary absence from Great Britain.**

- (1) Any person who is normally habitually resident in and who is temporarily absent from Great Britain shall be treated, for the duration of that absence, as if they were not habitually resident unless;
  - (a) the person was entitled to a reduction by virtue of this scheme immediately before the beginning of the period of temporary absence; and
  - (b) either—
    - (i) the absence is not expected to exceed, and does not exceed, one month,
    - (ii) sub-paragraph (3) or (4) applies, or
    - (iii) sub-paragraph (6) of paragraph 12 applies.
- (2) The period of one month in sub-paragraph (1)(b) may be extended by up to a further month if the temporary absence is in connection with the death of —
  - (a) the person's partner or a child or qualifying young person for whom the person was responsible; or
  - (b) a close relative of the person, or of their partner or of a child or qualifying young person for whom the person or their partner was responsible, and the authority considers that it would be unreasonable to expect the person to return to Great Britain within the first month.
- (3) This sub-paragraph applies where the absence is not expected to exceed, and does not exceed, 6 months and is solely in connection with —
  - (a) the person undergoing —
    - (i) treatment for an illness or physical or mental impairment by, or under the supervision of, a qualified practitioner, or
    - (ii) medically approved convalescence or care as a result of treatment for an illness or physical or mental impairment, where the person had that illness or impairment before leaving Great Britain; or
  - (b) the person accompanying their partner or a child or qualifying young person for whom they are responsible for treatment or convalescence or care as mentioned in sub-paragraph (a).
- (4) This sub-paragraph applies where the absence is not expected to exceed, and does not exceed, 6 months and the person is —
  - (a) a mariner; or
  - (b) a continental shelf worker who is in a designated area or a prescribed area.
- (5) In this paragraph —

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

connection with any activity mentioned in section 11(2) of the Petroleum Act 1998;

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

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

- (a) the employment in that other capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and
- (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 registered medical practitioner;

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

“qualified practitioner” means a person qualified to provide medical treatment, physiotherapy or a form of treatment which is similar to, or related to, either of those forms of treatment.

### **37. Classes of person excluded from this scheme**

The classes of person described in paragraph 12, 13, 36, 38, 39 and 40 are not entitled to a reduction under this scheme.

### **38. Class of person excluded from this scheme: capital limit**

- (1) the class of person described in this paragraph consists of any person whose capital exceeds £8,000.
- (2) Capital for the purpose of sub-paragraph (1) is to be calculated -
  - (a) for an applicant awarded Universal Credit in accordance with paragraph 46, and
  - (b) in all other cases in accordance with Part 15 of this scheme.



### **39. Class of person excluded from this scheme: students**

The class of person described in this paragraph consists of any student to whom paragraph 75(1) applies.

### **40. Class of person excluded from this scheme: deprivation of Tax Credits or relevant Social Security Benefit**

- (1) The class of person described in this paragraph consists of any person who appears to the authority to meet the conditions in sub-paragraph (2).
- (2) The conditions referred to in sub-paragraph (1) are that: -
  - (a) the applicant, or any partner residing with him, would be entitled to a tax credit or a relevant social security benefit, as administered by Her Majesty's Revenue and Customs or the Department for Work and Pensions; and
  - (b) such person or persons have deliberately failed to claim the tax credits or benefits to which they would be entitled for the purpose of reducing their income and with the intention of increasing their entitlement to a reduction under this scheme.

## **Part 11 - Maximum council tax reduction**

### **41. Maximum council tax reduction under this scheme**

- (1) Subject to sub-paragraphs (2) to (5), a person's maximum council tax reduction 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 -
    - (i) the condition that for the purposes of calculating A, the council tax shall not exceed the amount set by the authority for a dwelling in council tax band D, and
    - (ii) 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 paragraph 42 (non-dependant housing costs contribution).
- (2) In calculating a person's maximum council tax reduction under this scheme any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act (other than a reduction under this scheme), is to be taken into account.
- (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 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, 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(2) (entitlement of students to a reduction under this scheme) 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.

## **42. Non-dependant housing costs contribution**

- (1) The non-dependant housing costs contribution in respect of a day referred to in paragraph 41 is –
  - (a) in respect of a non-dependant aged 18 or over who does not work, £5.00 x 1/7;
  - (b) in respect of a non-dependant aged 18 or over whose gross income is equal to or less than £461.54 a week, £10.00 x1/7
  - (c) in respect of a non-dependant aged 18 or over whose gross income is equal to or greater than £461.55 a week, £30.00 x1/7
  - (d) In respect of a non-dependant who receives a state pension credit, £0.00.
- (2) Only one housing costs contribution is to be made under this paragraph in respect of a couple or, as the case may be, members of a polygamous marriage (other than where there is an award of universal credit) and, where, but for this paragraph, the amount that would fall to be deducted in respect of one member of a couple or polygamous marriage is higher than the amount (if any) that would fall to be deducted in respect of the other, or any other member, the higher amount is to be deducted.
- (3) In applying the provisions of sub-paragraph (1) in the case of a couple or, as the case may be, a polygamous marriage, regard must be had, for the purpose of that paragraph, to the couple’s or, as the case may be, all members of a polygamous marriage joint weekly gross income.
- (4) here 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 sub-paragraph (a) refers is a non-dependant of two or more of the liable persons,

the housing costs contribution in respect of that non-dependant must be apportioned equally between those liable persons.

- (5) No housing costs contribution is to be made in respect of any non-dependant occupying an applicant's dwelling if the applicant or his partner is -
  - (a) blind or treated as blind by virtue of paragraph 10 of Schedule 1 (additional condition for the disability premium);
- (6) No housing costs contribution 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 not residing with the applicant because he has been a patient for a period in excess of 52 weeks, and for these purposes -
    - (i) "patient" has the meaning given in paragraph 36(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.
  - (d) he is in receipt of careers allowance.
- (7) No housing costs contribution is to be made in respect of a non-dependant 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.
- (8) In the application of paragraph (2) there is to be disregarded from the non-dependant's gross weekly income -
  - (a) any attendance allowance, disability living allowance, personal independence or an AFIP payment 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 or the Independent Living Fund (2006); which, had his income fallen to be calculated under paragraph 54 (calculation of income other than earnings), would have been disregarded under paragraph 28 of Schedule 3 (income in kind); and
  - (c) any payment which, had his income fallen to be calculated under paragraph 54 (Calculation of income other than earnings), would have been disregarded under paragraph 41 of Schedule 3 (payments made under certain trusts and certain other payments).

## PART 12 - Amount of reduction

### 43. Amount of reduction under this scheme

- (1) Where a person is entitled to a reduction under this scheme in respect of any day, the amount of reduction is determined by reference to their income (as calculated in accordance with the following provisions of the scheme) for the week in which that day falls.
- (2) For the purpose of this paragraph each week begins on a Monday.
- (3) The applicant's reduction shall be the appropriate percentage of their maximum reduction (as calculated in accordance with paragraph 41) as follows-
  - (a) For any persons who by virtue of paragraph 35 the authority considers require additional financial assistance where;
    - (i) neither the applicant nor their partner's income includes earnings from either employment or self-employment, or
    - (ii) the applicant and their partner's earnings are treated as being zero by virtue of paragraph 6 of schedule 2.
    - (iii) the reduction is 100% of the maximum permitted under this scheme.
  - (b) In all other cases the relevant percentage is shown by reference to the corresponding weekly income in columns 1 and 2 of the following Tables -
  - (c) Working age applicant (who is not a lone parent with at least one child under the age of 5 years)

New scheme (£)	All other CTS recipients
0 to 145.99	75%
146.00 to 195.99	60%
196.00 to 245.99	40%
246.00 to 295.99	30%
296.00 to 345.99	20%
346.00 to 395.99	15%
396.00 to 445.99	10%
446+	0%

- (d) Working age applicant who is a lone parent with at least one child under the age of 5 years

Income bands (£)	Percentage discount awarded
0 to 145.99	80%
146.00 to 195.99	70%
196.00 to 245.99	60%
246.00 to 295.99	50%
296.00 to 345.99	40%
346.00 to 395.99	30%
396.00 to 445.99	20%
446+	0%

#### **43A. Annual Increase**

- (1) In accordance with the provisions of this paragraph, on 1 April 2024, and in each subsequent financial year, the income band values (as prescribed in paragraph 43(3) (b)) will increase the percentage increase in the Consumer Price Index, in the twelve month period, to 1st September preceding the tax year in which the Council Tax Reduction Scheme comes into force.
- (2) In any year where; there is no increase in the consumer price index, at the prescribes date (01 September), the values prescribed by paragraph 43(3)(b) will not change by virtue of this paragraph.
- (3) The annual increase will change the lower and upper earnings limits of each reduction band, as prescribed in paragraph 43(3)(b), by the following conditions only;
  - (a) Subject to sub-paragraph (2), the lower income limit of the fifty percent income band will increase by the amount prescribed in sub-paragraph (1),
  - (b) The initial value subject to this paragraph is (the lower income limit of the fifty percent reduction band on 1 April 2022 £201.00.
  - (c) Any increase, to the value prescribed by sub-paragraph (3)(b), will be rounded up to the nearest whole pound(sterling).
  - (d) The lower income limit of the eighty percent reduction band is fixed at £0.00,
  - (e) The upper income limit of the eighty percent reduction band will be, the lower income limit of the seventy percent reduction band less £0.01,
  - (f) There is no upper income limit to the zero percent reduction band, and

- (g) Exclusive only of the conditions prescribed by sub-paragraphs d, e and f, the difference between the lower and upper income limit of each reduction band is fixed at £49.99.
- (4) The reduction bands, set annually in accordance with this paragraph, will be published alongside any other revisions to the scheme by 31 March, preceding the tax year at which the changes come into force.

## **PART 13 - Income and capital - General**

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

- (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 and Part 14

- (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 that applicant.
- (3) Except where paragraph 46 (income and capital where there is an award of universal credit) applies, where an applicant or the partner of an applicant is married polygamously to two or more members of his household -

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

- (a) the income and capital of that member is to be calculated in accordance with the following provisions of this Part in like manner as for the applicant.

### **45. Circumstances in which income and capital of non-dependant is to be treated**

As the applicant's.

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 this scheme and the non-dependant has more income and capital than the applicant.

- (1) Except where the applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the authority must treat the applicant as possessing income and capital belonging to that non-dependant and, in such a case, any income and capital which the applicant does possess is to be disregarded.

- (2) 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.

## **Part 14. Income and capital where there is an award of universal credit**

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

- (1) In determining the income of an applicant -
- (a) who has, or
  - (b) who (jointly with his partner) has, an award of universal credit, the authority must, subject to the following provisions of this paragraph, use the calculation or estimate of the amount of income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.
- (2) The authority must adjust the amount of the income referred to in sub-paragraph (1) by multiplying the amount by 12 and dividing the product by 52.
- (3) In making a determination under this provision the authority shall take no account of;
- (a) any assumed yield from capital as prescribed by Regulation 72 of the Universal Credit Regulations 2013
  - (b) any deduction made by virtue of the Council Tax (Deductions from Income Support) Regulations 1993
  - (c) the amount of any sanction determined under chapter 2 of the Universal Credit Regulations 2013 that reduces the applicant’s award of universal credit
  - (d) the amount of any hardship payment made under chapter 3 of the Universal Credit Regulations 2013
  - (e) any deduction made in consequence of Schedules 5, 6 and 7 of the Universal Credit, Personal Independence Payment, Jobseeker’s Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013.
  - (f) the amount of the housing costs elements determined by the Secretary of State for the purpose of making the award of universal credit. The apportioned amount of Universal Credit paid in respect of the housing element, health element, disabled child element and 50% of carers element.
- (4) The authority shall modify the amount of the income provided by the Secretary of State only in so far as necessary to take into account —

- (a) the amount of the award of universal credit payable as calculated in accordance with this paragraph, any childcare charges, in respect of dependent children of the applicant, taken into account under paragraph 57(1)(b) (Calculation of income on a weekly basis);
  - (b) the amount disregarded under this scheme in respect of—
    - (i) earnings as prescribed by paragraphs 4, 5 and 6 of Schedule 2
    - (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;
  - (e) the income and capital of any partner of the applicant who is treated as a member of the applicant's household under paragraph 8 (Households) to the extent that it is not taken into account in determining the net income of the person in receipt of universal credit;
  - (f) Paragraph 45 (circumstances in which the income and capital of a non-dependant is to be treated as the applicant's), if the authority determines that this paragraph applies in the applicant's case;
  - (g) any modification under section 134(8) of the Administration Act (modifications by resolution of an authority) which is applicable in the applicant's case.
  - (h) such further reduction (if any) as the authority thinks fit under section 13A (1) (c) of the 1992 Act (power of the billing authority to reduce the amount of council tax payable).
- (5) paragraphs 47 to 65 shall not apply to the amount of the income to be taken into account by the authority under sub-paragraph (1), but shall apply (so far as relevant) for the purpose of determining any modifications which fall to be made to that amount under sub-paragraph (4).
- (6) In determining the capital of an applicant-
- (a) who has, or
  - (b) who (jointly with his partner) has, an award of universal credit, the authority must use the calculation or estimate of the amount of capital of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.



## **Part 15 - Income - those not receiving Universal Credit**

### **47. Average weekly earnings of employed earners**

- (1) Where the income of an applicant consists of earnings from employment as an employed earner his average weekly earnings must be estimated by reference to his earnings from that employment -
  - (a) over a period immediately preceding the reduction week in which the application is made or treated as made and being a period of -
    - (i) 5 weeks, if he is paid weekly; or
    - (ii) 2 months, if he is paid monthly; or
  - (b) whether or not paragraph (a)(i) or (ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the application is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.
- (2) Where the applicant has been in his employment for less than the period specified in sub-paragraph (1)(a)(i) or (ii) -
  - (a) if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average weekly earnings must be estimated by reference to those earnings;
  - (b) in any other case, the authority must estimate the applicant's average weekly earnings.
- (3) Where the amount of an applicant's earnings changes the authority must estimate his average weekly earnings by reference to his likely earnings from the employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period must not in any case exceed 52 weeks.
- (4) For the purposes of this paragraph the applicant's earnings are to be calculated in accordance with paragraph 51 (earnings of employed earners) and 52 (calculation of net earnings of employed earners).

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

- (1) here the income of an applicant consists of earnings from employment as a self-employed earner his average weekly earnings must be estimated by reference to his earnings from that employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period must not in any case exceed a year.
- (2) For the purposes of this paragraph the applicant's earnings must be calculated in accordance with paragraphs 53, 61, 62 and 65 (earnings, net profit, minimum income floor and deduction of tax and contributions).

#### **49. Average weekly income other than earnings**

- (1) The income of an applicant which does not consist of earnings must, except where sub-paragraph (2) applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period must not in any case exceed 52 weeks; and nothing in this paragraph authorises the authority to disregard any such income other than that specified in Schedule 3 (Sums disregarded in the calculation of income other than earnings).
- (2) the period over which any benefit under the benefit Acts is to be taken into account is to be the period in respect of which that benefit is payable.
- (3) For the purposes of this paragraph income other than earnings is to be calculated in accordance with paragraph 54 (calculation of income other than earnings).

#### **50. Calculation of weekly income of employed earners**

- (1) For the purposes of paragraph 47 (average weekly earnings of employed earners), 49 (average weekly income other than earnings) and 59 (calculation of average weekly income from tax credits), where the period in respect of which a payment is made -
  - (a) does not exceed a week, the weekly amount is to be the amount of that payment;
  - (b) exceeds a week, the weekly amount is to be determined -
    - (i) in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
    - (ii) in any other case, by dividing the amount of the payment by the number equal to the number of days in the period to which it relates and multiplying the product by 7.
- (2) For the purposes of paragraph 48 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant is to be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the product by 7.

#### **51. Earnings of employed earners**

- (1) Subject to sub-paragraph (2), "earnings", in the case of employment as an employed earner of a person 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 or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;

- (d) any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
  - (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) any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
  - (h) any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
  - (i) any such sum as is referred to in section 112 of the SSCBA (certain sums to be earnings for social security purposes);
  - (j) any statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
  - (k) any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave or adoption leave or is absent from work because he is ill;
  - (l) 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.
- (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 payment in respect of expenses arising out of the applicant's participation in a service user group.
- (3) Sub-paragraph (2) (a) does not apply in respect of any non-cash voucher referred to in sub-paragraph (1) (l).

## 52. Calculation of net earnings of employed earners

- (1) For the purposes of paragraph 47 (average weekly earnings of employed earners), 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 sub-paragraph (2), be his net earnings.
- (2) There is to be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 11 of Schedule 2 (sums disregarded in the calculation of earnings).

For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (6) 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 paragraph (5) 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 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 paragraph "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 estimated under paragraph 47(2)(b) (average weekly earnings of employed earners), his net earnings is 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 sections 35 to 37 of the Income Tax Act 2007 (personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this 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.

### **53. Earnings of self-employed earners**

- (1) Subject to sub-paragraph (2), "earnings", in the case of employment as a self-employed earner of a person means the gross income of the employment.
- (2) "Earnings" does not include any payment to which paragraph 31 or 32 of Schedule 3 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor does it include any sports award.
- (3) This 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; or
  - (b) any payment in respect of any -
    - (i) book registered under the Public Lending Right Scheme 1982; or analogous to the Public Lending Scheme 1982,
    - (ii) work made under any international public lending right scheme that is where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book or work concerned.
- (4) Where the applicant's earnings consist of any items to which sub-paragraph (3) applies, those earnings must be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by -
  - (a) the amount of reduction under this scheme to which the applicant would have been entitled had the payment not been made, plus
  - (b) an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 2 (sums disregarded in the calculation of earnings) as appropriate in the applicant's case.

#### 54. Calculation of income other than earnings

- (1) For the purposes of paragraph 49 (average weekly income other than earnings), the income of an applicant which does not consist of earnings to be taken into account must, subject to sub-paragraphs (2) to (8), be his gross income and any capital treated as income under paragraph 55 (capital treated as income).
- (2) There is to be disregarded from the calculation of an applicant's gross income under sub-paragraph (1), any sum, where applicable, specified in Schedule 3.
- (3) Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under paragraph (1) must be the gross amount payable.
- (4) Where the applicant or, where he is a member of a couple, his partner is receiving contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008), the amount of that benefit to be taken into account is the amount as if it had not been reduced.
- (5) Where an award of any working tax credit or child tax credit under the Tax Credits Act 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.
- (6) Sub-paragraphs (7) and (8) apply where -
  - (a) relevant payment has been made to a person in an academic year; and
  - (b) that person abandons, or is dismissed from, this course of study before the payment to him of the final instalment of the relevant payment.
- (4) Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of sub-paragraph (1) in respect of a person to whom sub-paragraph (7) applies, is to be calculated by applying the formula —  
  
**(A - (B x C)) / D** where -
  - (a) A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 81(5) (costs of travel, books and equipment);
  - (b) B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;
  - (c) C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 81(2) (treatment of student loans) had the person not abandoned or been dismissed from, his course and, in the case of a person who was

not entitled to a reduction under this scheme immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;

(d) D = the number of reduction weeks in the assessment period.

- (8) Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of sub-paragraph (1) in respect of a person to whom sub-paragraph (6) applies, is to be calculated by applying the formula in sub-paragraph (7) but as if -

A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 81(5).

- (9) In this paragraph -

“academic year” and “student loan” have the same meanings as in Part 17 (students)

“assessment period” means -

- (a) in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;
- (b) in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes -
- (i) the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or
  - (ii) the last day of the last quarter for which an instalment of the relevant payment was payable to that person,

whichever of those dates is earlier;

“quarter” in relation to an assessment period means a period in that year beginning on either;

- (a) 1st January and ending on 31st March;
- (b) 1st April and ending on 30th June;
- (c) 1st July and ending on 31st August; or

- (d) 1st September and ending on 31st December;

“relevant payment” means either a student loan or an amount intended for the maintenance of dependents referred to in paragraph 76(7) or both.

- (10) For the avoidance of doubt there must be included as income to be taken into account under sub-paragraph (1) -
  - (a) any payment to which paragraph 51(2) (Earnings of employed earners) (payments not earnings) applies; or
  - (b) in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 1999 including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependents (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

## **55. Capital treated as income**

- (1) Any capital payable by instalments which are outstanding at the date on which the application is made or treated as made, or, at the date of any subsequent revision or supersession, must, if the aggregate of the instalments outstanding and the amount of the applicant’s capital otherwise calculated in accordance with Part 15 exceeds £8,000, be treated as income.

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

- (2) Any earnings to the extent that they are not a payment of income is to be treated as income.
- (3) Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 is to be treated as income.
- (4) Where an agreement or court order provides that payments must be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital by virtue of this Part), is to be treated as income.

## **56. Notional income**

- (1) An applicant who is to be treated as possessing income of which he has deprived himself for the purpose of securing entitlement to a reduction under a council tax reduction scheme or increasing the amount of the reduction.
- (2) Except in the case of -
  - (a) a discretionary trust;



- (b) a trust derived from a payment made in consequence of a personal injury;
  - (c) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;
  - (d) any sum to which paragraph 50(2)(a) of Schedule 4 (capital disregard) applies which is administered in the way referred to in paragraph 50(1)(a);
  - (e) any sum to which paragraph 51(a) of Schedule 4 refers;
  - (f) rehabilitation allowance made under section 2 of the Employment and Training Act 1973;
  - (g) child tax credit;
  - (h) working tax credit, or
  - (i) any sum to which sub-paragraph (11) applies, any income which would become available to the applicant upon application being made, but which has not been acquired by him, is to be treated as possessed by the applicant but only from the date on which it could be expected to be acquired were an application made.
- (3) Any payment of income, other than a payment of income specified in sub-paragraph (4), made -
- (a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) must, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
  - (b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) must, where it is not a payment referred to paragraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
  - (c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) must be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.
- (4) Sub-paragraph (3) does not apply in respect of a payment of income made -
- (a) under or by the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);

- (b) pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal); (c) pursuant to section 2 of the Employment and Training Act 1973 in respect of a person's participation -
  - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations 1996;
  - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
  - (iii) (iii) in the Intense Activity Period specified in regulation 75(1) (a) (iv) of those Regulations;
  - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or

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

- (d) in respect of a person's participation in the Work for Your Benefit Pilot Scheme;
- (e) in respect of a person's participation in the Mandatory Work Activity Scheme;
- (f) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
- (g) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where -
  - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed
 

On that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
  - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
  - (iii) the person referred to in sub-paragraph (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

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

that year, whichever date the authority selects, to the date on which the altered rate is to take effect.

- (6) Subject to sub-paragraph (7), where -
- (a) an applicant performs a service for another person; and
  - (b) that person makes no payment of earnings or pays less than that paid for a comparable employment in the area,

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

- (7) Sub-paragraph (6) does not apply -
- (a) to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
  - (b) in a case where the service is performed in connection with -
    - (i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations 1996, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1) (a) (iv) of those Regulations; or
    - (ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme; or
  - (c) to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

- (8) In sub-paragraph (7) (c) "work placement" means practical work experience which is not undertaken in expectation of payment.
- (9) Where an applicant is treated as possessing any income under any of sub-paragraphs (1) to (8), the foregoing provisions of this Part apply for the purposes of calculating the amount of that income as if a payment had actually been made and as if it were actual income which he does possess.
- (10) Where an applicant is treated as possessing any earnings under sub-paragraph (6) the foregoing provisions of this Part apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph 52(3) (calculation of net earnings of employed earners) do not apply and his net earnings

are to be calculated by taking into account those earnings which he is treated as possessing, 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 sections 35 to 37 of the Income Tax Act 2007 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this 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 payable by the applicant by way of a contribution towards an occupational or personal pension scheme.
- (11) Sub-paragraphs (1), (2), (3) and (6) do not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant's participation in a service user group.

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

- (1) Subject to paragraph 60 (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;
  - (2) deducting from that sum any relevant child care charges to which paragraph 58 (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 are met, from those earnings plus whichever credit specified in sub-paragraph (2)(b) 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 sub-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 or universal credit.
- (3) The maximum deduction to which sub-paragraph (1)(b) above refers is to be -
- (a) where the applicant's family includes child/ren of whom relevant child care charges are paid, 100% of the amount paid per week

## **58. Treatment of child care charges**

- (1) This paragraph applies where an applicant (within the meaning in this paragraph) is incurring relevant child care charges and,
  - (a) is a lone parent;
  - (b) is a member of a couple both; 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 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, 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 (10).
- (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 paragraph 7 (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 Regulations 2002, 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
  - (m) by a person who is not a relative of the child wholly or mainly in the child’s home.
- (9) In sub-paragraphs (6) and (8) (a), “the first Monday in September” means the Monday which first occurs in the month of September in any year.
- (10) Relevant child care charges must be estimated over such period, not exceeding a year, as is appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.
- (11) For the purposes of sub-paragraph (1)(c) the other member of a couple is incapacitated where -
- (a) the applicant would fall to be treated as person who formerly would have been entitled a disability premium by virtue of paragraph 2 of Schedule 1 on account of the other member’s incapacity or the support component or the work-related activity component on account of his having limited capability for work;
  - (b) the applicant would fall to be treated as person who formerly would have been entitled a disability premium by virtue of paragraph 2 of Schedule 1 on account of the other member’s incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;

- (c) the applicant's applicable amount would include the support component or the work- related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008;
- (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 has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- (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 SCBA;
  - (iv) disability living allowance under section 71 of the SSCBA;
  - (v) personal independence payment; (vi) an AFIP;
  - (vii) increase of disablement pension under section 104 of the SSCBA;
  - (viii) a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under sub-paragraph (ii), (iv), (v), (vi) or (vii) above;
  - (ix) main phase employment and support allowance;
- (g) a pension or allowance to which sub-paragraph (vii) or (viii) of sub-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 article 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 under section 71 of that Act would be payable to that person but for -

- (i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
  - (ii) an abatement as a consequence of hospitalisation;
- (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 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
- (k) paragraph (f), (g), (h) or (i) would apply to him if the legislative provisions referred to in those sub-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.
- (12) For the purposes of sub-paragraph (11), once sub-paragraph (11)(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 sub-paragraph shall, 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.
- (13) For the purposes of sub-paragraph (11), once sub-paragraph (11)(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, 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.
- (14) 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 the care component of disability allowance is payable or would be payable but for -
    - (i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
    - (ii) an abatement as a consequence of hospitalisation;
  - (b) to whom the daily living component of personal independence payment is payable or would be payable but for 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, 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 is registered as severely sight-impaired in a register kept by a local authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014; or
  - (d) who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.
- (15) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave or adoption leave is to be treated as if he is engaged in remunerative work for the period specified in sub-paragraph (16) ("the relevant period") provided that -
- (a) in the week before the period of maternity leave, paternity leave, shared parental 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, ordinary statutory paternity pay by virtue of section 171ZA or 171ZB of that Act, additional statutory paternity pay by virtue of section 171ZEA or 171ZEB of that Act, statutory adoption pay by of section 171ZL of that Act, maternity allowance under section 35 of that Act or qualifying support.
- (16) For the purposes of sub-paragraph (15) the relevant period begins on the day on which the person's maternity, paternity leave, shared parental 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 (if relevant), statutory maternity pay, ordinary or additional statutory paternity 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 or statutory adoption pay ends, the date that entitlement to that award of the childcare element of the working tax credit ends, whichever occurs first.
- (17) In Sub-paragraphs (15) and (16)

- (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).

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

- (1) This paragraph applies where an applicant receives a tax credit.
- (2) Where this paragraph applies, the period over which a tax credit is to be taken into account is the period set out in paragraph (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; 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.

## **60. Disregard of changes in tax and contributions etc**

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 social security 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 earnings exception 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;
- (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.

## 61. Calculation of net profit of self-employed earners

- (1) For the purposes of paragraphs 48 (average weekly earnings of self-employed earners) and 57 (calculation of income on a weekly basis) the earnings of an applicant to be taken into account must be -
  - (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 who is a pensioner whose employment is carried on in partnership, his share of the net profit derived from that employment, less -
    - (i) an amount in respect of income tax and of social security contributions payable under the SSCBA calculated in accordance with paragraph 68 (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;
  - (c) in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less -
    - (i) an amount in respect of income tax and of social security contributions payable under the SSCBA calculated in accordance with paragraph 68 (deduction of tax and contributions for self-employed earners); and
    - (ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.
- (2) There must be disregarded from the net profit of an applicant, any sum, where applicable, specified in paragraphs 1 to 11 of Schedule 2 (sums disregarded in the calculation of earnings).
- (3) For the purposes of sub-paragraph (1)(a) the net profit of the employment must, except where sub-paragraph (9) applies, be calculated by taking into account the earnings of the employment over the assessment period less -
  - (a) subject to sub-paragraphs (5) to (8), 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) social security contributions payable under the SSCBA, calculated in accordance with paragraph 68 (deduction of tax and contributions for self-employed earners); and
  - (c) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.
- (4) For the purposes of 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 (5) to (8), any expenses wholly and exclusively incurred in that period for the purposes of the employment.

- (5) Subject to sub-paragraph (6), no deduction is to be made under sub-paragraph (3)(a) or (4), 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;
  - (f) any expenses incurred in providing business entertainment; and
  - (g) in the case of an applicant who is not a pensioner, any debts, except bad debts proved to be such, but this paragraph does not apply to any expenses incurred in the recovery of a debt.
- (6) A deduction is to be made under sub-paragraph (3)(a) or (4) 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
- (7) The authority must refuse to make a deduction in respect of any expenses under sub-paragraph (3) (a) or (4) where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- (8) For the avoidance of doubt -
  - (a) a deduction must not be made under sub-paragraphs (3)(a) or (4) 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 p aid 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.
- (9) Where an applicant is engaged in employment a s 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) social security contributions payable under the SSCBA, calculated in accordance with paragraph 68 (deduction of tax and Contributions for self-employed earners); and
  - (b) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.
- (10) For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments must not be offset against his earnings in any other of his employments.
- (11) The amount in respect of any qualifying premium is to be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying premium must be determined -
- (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.
- (12) In this paragraph, “qualifying premium” means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of application.

## **62. Minimum Income Floor**

- (1) Subject to sub-paragraph (7), where either the applicant or his partner are treated as being in gainful self-employment under Paragraph 64 and the total earned income of such applicant in respect of any week in the assessment period is less than the minimum income floor, the applicant is to be treated as having earned income equal to the minimum income floor, except in cases where the applicant or their partner satisfies one or more of the conditions described under paragraph 35 (Class A2: Persons who are entitled to a reduction and are considered to require additional financial assistance)
- (2) The minimum income floor is, subject to sub-paragraph (3), in the case of an applicant who is lone parent;
- (i) the amount the applicant would earn in a working week of 20 hours paid at the hourly rate prescribed by regulation 4(1)(a) of the National Minimum Wage Regulations 2015, less
  - (ii) An amount that the authority considers appropriate to take account of any income tax or national insurance contributions for which the applicant would have been liable in respect of the assessment period if they had earned income of that amount.

- (3) In all other cases the minimum income floor is equal to the prescribed minimum under sub-paragraph (4), but where the a applicant has a partner and, the amount of the couple's combined earned income would exceed the prescribed minimum—
- (i) in a case where the couple's combined earned income (before the application of sub-paragraph (1) is equal to or exceeds the prescribed minimum, sub-paragraph (1) does not apply; and
  - (ii) In any other case, the minimum income floor is to be reduced so that the amount of the couple's combined earned income does not exceed the prescribed minimum.
- (4) The “prescribed minimum” is —
- (a) the amount either the applicant or their partner would earn in a working week of 35 hours paid at the hourly rate prescribed by regulation 4(1)(a) of the National Minimum Wage Regulations 2015, less
  - (b) an amount that the authority considers appropriate to take account of any income tax or national insurance contributions for which the applicant, or in the case of couple the applicant and his partner, would have been liable in respect of the assessment period if they had the earned income prescribed Sub-paragraph (1) shall not apply where the applicant’s business is treated as being in a start-up period.

### **63 Start-up Period**

- (1) For the purpose of paragraph 62 but subject to sub-paragraph (2) below, the “start-up period” for a business is the continuous period of 12 months following the date at which the authority determined that the applicant or his partner commenced gainful self-employment in a specific profession, trade or vocation.
- (2) A start-up period will not apply to any applicant who has previously benefited from a start-up period, whether in relation to the current award, or any previous award, of reduction, unless the preceding start-up period—
- (a) began more than 5 years before the beginning of the applicant’s present self-employed activity; and
  - (b) applied in relation to a different profession, trade or vocation which the claimant has ceased to carry on.
- (3) The authority may terminate a start-up period at any time if the applicant is no longer in gainful self-employment, or is no longer taking reasonable active steps to increase their earnings from their employment to a sum in excess of the applicable minimum income floor under paragraph 62.
- (4) Where the applicant commenced the profession, trade or vocation as his primary self-employment before 1st April 2017 that activity shall not be treated as being in a start-up period.

#### **64. Meaning of “gainful self-employment”**

- (1) An applicant is in gainful self-employment for the purposes of paragraph 62 where the authority has determined that —
  - (a) the applicant or their partner is carrying on a trade, profession or vocation as their main employment;
  - (b) their earnings from that trade, profession or vocation are self-employed earnings; and,
  - (c) the trade, profession or vocation is organised, developed, and regular and carried on in expectation of profit.

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

- (1) The amount to be deducted in respect of income tax under paragraph 61(1)(b)(i), (3)(b)(i) or (9)(a)(i) (calculation of net profit of self-employed earners) must 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 sections 35 to 37 of the Income Tax Act 2007 (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 social security contributions under paragraph 61(1)(b)(i), (3)(b)(ii) or (9)(a)(ii) is the total of -
  - (a) the amount of Class 2 contributions payable under section 11(1) or, as the case may be, 11(3) of the SSCBA at the rate applicable to the assessment period except where the applicant’s chargeable income is less than the amount specified in section 11(4) of that Act (small earnings exception) 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, (5) of paragraph 61;
- (b) in the case of employment as a child minder, one-third of the earnings of that employment.

## **Part 16 Capital - those not receiving Universal Credit**

### **66. Calculation of capital**

- (1) The capital of an applicant to be taken into account must be, subject to sub-paragraph (2), the whole of his capital calculated in accordance with this Part and any income treated as capital under paragraph 67 (income treated as capital).
- (2) There must be disregarded from the calculation of an applicant's capital under sub-paragraph (1), any capital, where applicable, specified in Schedule 4.
- (3) The capital of a child or young person who is a member of the family of an applicant who is not a pensioner must not be treated as capital of the applicant.

### **67. Income treated as capital**

- (1) Any bounty derived from employment to which paragraph 9 of Schedule 2 (sums disregarded in the calculation of earnings) applies and paid at intervals of at least one year is to be treated as capital.
- (2) Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E is to be treated as capital.
- (3) Any holiday pay which is not earnings under paragraph 51(1) (d) (earnings of employed earners) is to be treated as capital.
- (4) Except any income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17, 30 to 33, 50 or 51 of Schedule 4 (capital disregards), any income derived from capital is to be treated as capital but only from the date it is normally due to be credited to the applicant's account.
- (5) In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer is to be treated as capital.
- (6) Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Independent Living Fund (2006) or the London Bombings Charitable Relief Fund, is to be treated as capital.
- (7) There is to be treated as capital the gross receipts of any commercial activity carried on by a person in respect of which assistance is received under the self-employment route, but only in so far as those receipts were payable into a special account during the period in which that person was receiving such assistance.

- (8) Any arrears of subsistence allowance which are paid to an applicant as a lump sum must be treated as capital.
- (9) Any arrears of working tax credit or child tax credit must be treated as capital.

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

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.

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

Capital which an applicant possesses in a country outside the United Kingdom must 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 the sale, 10 per cent and the amount of any encumbrances secured on it.

### **70. Notional capital**

- (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 or increasing the amount of that reduction except to the extent that that capital is reduced in accordance with paragraph 71 (diminishing notional capital rule).
- (2) Except in the case of –
  - (a) a discretionary trust; or
  - (b) a trust derived from a payment made in consequence of a personal injury; or
  - (c) any loan which would be obtained only if secured against capital disregarded under Schedule 4; or
  - (d) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or
  - (e) any sum to which paragraph 50(2)(a) of Schedule 4 (capital disregards) applies which is administered in the way referred to in paragraph 50(1)(a); or
  - (f) any sum to which paragraph 51(a) of Schedule 4 refers; or

- (g) child tax credit; or
- (h) working tax credit,

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

Any payment of capital, other than a payment of capital specified in sub-paragraph

(4), made -

- (a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) must, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
  - (b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) must, where it is not a payment referred to in sub-paragraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
  - (c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of the family) must be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.
- (3) Sub-paragraph (3) does not apply in respect of a payment of capital made -
- (a) under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation, or the London Bombings Relief Charitable Fund;
  - (b) pursuant to section 2 of the Employment and Training Act 1973 in respect of a person's participation —
    - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations 1996;
    - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations; (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
    - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or

- (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- (c) in respect of a person's participation in the Work for Your Benefit Pilot scheme;
- (d) in respect of a person's participation in the Mandatory Work Activity scheme;
- (e) in respect of an applicant's participation in a scheme prescribed in regulation of the Jobseeker's Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;
- (f) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where -
  - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
  - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
  - (iii) the person referred to in sub-paragraph (d) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.
- (4) 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 paragraph 66 (calculation of capital) be disregarded; and
  - (b) he must, subject to paragraph (6), be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this part apply for the purposes of calculating that amount as if it were actual capital which he does possess.
- (5) 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 (5) is to be disregarded.
- (6) Where an applicant is treated as possessing capital under any of subparagraphs (1), (2) or (3) the foregoing provisions of this part apply for the purposes of calculating its amount as if it were actual capital which he does possess.

## 71. Diminishing notional capital rule

- (1) Where an applicant is treated as possessing capital under paragraph 70(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 paragraph applies to a reduction week or part-week, where the applicant satisfies the conditions that -
  - (a) he is in receipt of a reduction in council tax under this scheme; and
  - (b) but for paragraph 70(1), he would have received a greater reduction in council tax under this 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 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 housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);
  - (c) where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 51(1) of the Income Support (General) Regulations 1987 (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 whole or part 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 whole or part 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)

Subject to sub-paragraph (7), for the purposes of sub-paragraph (1) (b) the condition is that the applicant is not a pensioner and would have been entitled to a reduction in council tax in the relevant week but for paragraph 70(1).

(4) In such a case the amount of the reduction in the amount of capital he is treated as possessing must be equal to the aggregate of -

- (a) the amount of council tax benefit to which the applicant would have been entitled in the relevant week but for paragraph 70(1);
- (b) if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit week which includes the last day of the relevant week, the amount which is equal to -
  - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
  - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled;
- (c) if the applicant would, but for regulation 51(1) of the Income Support (General) Regulations 1987, have been entitled to income support in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled;
- (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.

- (5) 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 part- week, and
  - (b) multiplying the result of that calculation by 7.
- (6) The amount determined under sub-paragraph (5) is to be re-determined under the appropriate sub-paragraph if the applicant makes a further application for a reduction in council tax and the conditions in sub-paragraph (8) are satisfied, and in such a case -
  - (a) sub-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.
- (7) 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 for a reduction in question under paragraph 70(1);
    - (ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (7), the date on which he last made an application for a reduction in council tax which resulted in the weekly amount being re- determined, or
    - (iii) the date on which he last ceased to be entitled to a reduction under this scheme,whichever last occurred; and
  - (b) the applicant would have been entitled to a reduction in council tax under this scheme but for paragraph 70(1).
- (8) The amount as re-determined pursuant to sub-paragraph (7) must not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount must continue to have effect.

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 this 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 paragraph 70(1) -

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

and where more than one reduction week is identified by reference to sub-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 is the relevant week;

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

## 72. Capital jointly held

Except where an applicant possesses capital which is disregarded under paragraph 70(7) (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 part 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.



## Part 17 Students - General

### 73. Interpretation

(1) In this Part -

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

“access funds” means -

- (a) grants made under section 68 of the Further and Higher Education Act 1992 for the purpose of providing funds on a discretionary basis to be paid to students;
- (b) grants made under sections 73(a) and (c) and 74(1) of the Education (Scotland) Act 1980;
- (c) grants made under Article 30 of the Education and Libraries (Northern Ireland) Order 1993 or grants, loans or other payments made under Article 5 of the Further Education (Northern Ireland) Order 1997 in each case being grants, or grants, loans or other payments as the case may be, for the purpose of assisting students in financial difficulties;
- (d) discretionary payments, known as “learner support funds”, which are made available to students in further education by institutions out of funds provided by the Secretary of State under section 14 of the Education Act 2002 or sections 100 and 101 of the Apprenticeships, Skills, Children and Learning Act 2009 ; or

Financial Contingency Funds made available by the Welsh Ministers; “college of further education” means a college of further education within the meaning of Part 1 of the Further and Higher Education (Scotland) Act 1992;

“contribution” means-

- (a) any contribution in respect of the income of a student or any person which the Secretary of State, the Scottish Ministers or an education authority takes into account in ascertaining the amount of a student’s grant or student loan; or
- (b) any sums, which in determining the amount of a student’s allowance or bursary in Scotland under the Education (Scotland) Act 1980, the Scottish Ministers or education authority takes into account being sums which the Scottish Ministers or education authority considers that it is reasonable for the following persons to contribute towards the holder’s expenses -

- (i) the holder of the allowance or bursary;
- (ii) the holder's parents;
- (iii) the holder's parent's spouse, civil partner or a person ordinarily living with the holder's parent as if he or she were the spouse or civil partner of that parent; or
- (iv) the holder's spouse or civil partner;

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

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

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

"full-time course of study" means a full-time course of study which -

- (a) is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, or under section 100 of the Apprenticeships, Skills, Children and Learning Act 2009 or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by the Scottish Ministers at a college of further education or a full-time course of study which is a course of higher education and is funded in whole or in part by the Scottish Ministers;
- (b) is funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, or under section 100 of the Apprenticeships, Skills, Children and Learning Act 2009 or by the Welsh Ministers if it involves more than 16 guided learning hours per week for the student in question, according to the number of guided learning hours per week for that student set out —
  - (i) in the case of a course funded by the Secretary of State in the student's learning agreement signed on behalf of the establishment which is funded by the Secretary of State; or
  - (ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or

- (c) is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves —
  - (i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or
  - (ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

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

“grant” (except in the definition of “access funds”) means any kind of educational grant or award and includes any scholarship, studentship, exhibition, allowance or bursary but does not include a payment from access funds or any payment to which paragraph 16 of Schedule 3 or paragraph 55 of Schedule 4 applies;

“grant income” means—

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

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

“last day of the course” means —

- (a) in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;

in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

“Period of study” means—

- (a) in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;
- (b) in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, that year’s start and ending with either —

- (i) the day before the start of the next year of the course in a case where the student's grant or loan is assessed at a rate appropriate to his studying throughout the year or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or
  - (ii) in any other case, the day before the start of the normal summer vacation appropriate to his course;
- (c) in the final year of a course of study of more than one year, the period beginning with that year's start and ending with the last day of the course;

"periods of experience" means periods of work experience which form part of a sandwich course;

"postgraduate master's degree loan" means a loan which a student is eligible to receive under the Education (Postgraduate Master's Degree Loans) Regulations 2016;

"qualifying course" means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker's Allowance Regulations 1996;

"sandwich course" has the meaning prescribed in regulation 2(9) of the Education (Student Support) Regulations 2008, regulation 4(2) of the Education (Student Loans) (Scotland) Regulations 2007 or regulation 2(8) of the Education (Student Support) Regulations (Northern Ireland) 2007, as the case may be;

"standard maintenance grant" means—

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

"student" means a person, other than a person in receipt of a training allowance, who is attending or undertaking—

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

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

- (2) For the purposes of the definition of “full-time student” in sub-paragraph (1), a person must be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course—
  - (a) subject to sub-paragraph (3), in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending—
    - (i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or
    - (ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;
  - (b) in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.
- (3) For the purposes of paragraph (a) of sub-paragraph (2), the period referred to in that paragraph includes—
  - (a) where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
  - (b) any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.
- (4) In sub-paragraph (2), “modular course” means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

## 74. Treatment of students

This scheme has effect in relation to students subject to paragraph 39 (class of person excluded from this scheme: students) and the following provisions of this Part.

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

- (1) The students who are excluded from entitlement to a reduction under this scheme are, subject to sub-paragraphs (2) and (7) —
  - (a) full-time students, and
  - (b) students who are persons treated as not being in Great Britain
  - (c) Sub-paragraph (1)(a) does not apply to a student — who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;
  - (d) who is treated by virtue of Schedule 1 as a disabled person who would previously have been entitled to either a disability or severe disability premium?
  - (e) who would be treated by paragraph 2 of schedule 1 as a disabled person who would previously have been entitled to a disability premium if it were not for a determination, that he is to be treated as capable of work, made in accordance with regulations made under section 171E of the SSCBA;
  - (f) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days must be treated as one continuous period;
  - (g) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
  - (h) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;
  - (i) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989 or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;
  - (j) who is—

- (i) aged under 21 and whose course of study is not a course of higher education, or
  - (ii) aged 21 and attained that age during a course of study which is not a course of higher education, or
  - (iii) a qualifying young person or child within the meaning of section 142 of the SSCBA (child and qualifying young person);
- (k) in respect of whom—
- (i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;
  - (ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) of regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;
  - (iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue of regulations made under the Teaching and Higher Education Act 1998;

a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or

- (iv) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986, on account of his disability by reason of deafness.
- (2) Sub-Paragraph (2) (i) ( ii) only applies to an applicant until the end of the course during which the applicant attained the age of 21.
- (3) For the purposes of sub-paragraph (2) , once sub-paragraph (2)(e) applies to a full- time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph must, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.
- (4) In sub-paragraph (2)(i) the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.
- (5) A full-time student to whom sub-paragraph 2(i) applies must be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

- (6) Sub-paragraph (1)(b) does not apply to a full-time student for the period specified in sub-paragraph (8) if—
- (a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is —
    - (i) engaged in caring for another person; or
    - (ii) ill;
  - (b) he has subsequently ceased to be engaged in caring for that person or, as the case may be, he has subsequently recovered from that illness; and
  - (c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph (8).
- (7) The period specified for the purposes of sub-paragraph (7) is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before—
- (a) the day on which he resumes attending or undertaking the course; or
  - (b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course,

whichever first occurs.

## **Part 18 Student Income**

### **76. Calculation of grant income**

- (1) The amount of a student's grant income to be taken into account in assessing his income must, subject to sub-paragraphs (2) and (3), be the whole of his grant income.
- (2) There must be excluded from a student's grant income any payment—
- (a) intended to meet tuition fees or examination fees;
  - (b) in respect of the student's disability;
  - (c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;
  - (d) on account of the student maintaining a home at a place other than that at which he resides during his course;
  - (e) on account of any other person but only if that person is residing outside the United Kingdom and there is no applicable amount in respect of him;
  - (f) intended to meet the cost of books and equipment;
  - (g) intended to meet travel expenses incurred as a result of his attendance on the course;



- (h) intended for the child care costs of a child dependent;
  - (i) of higher education bursary for care leavers made under Part 3 of the Children Act 1989.
  - (j) in Wales, of higher education bursary for category 3 and category 4 young person's made under section 110 or 112 of the Social Services and Well-being (Wales) Act 2014, in accordance with regulations made under section 116 of that Act.
- (2A) in sub-paragraph (2) "category 3 and category 4 young persons" have the meaning given in section 104(2) of the Social Services and Well-being (Wales) Act 2014.
- (3) Where a student does not have a student loan or a postgraduate master's degree loan and is not treated as possessing a student loan or a postgraduate master's degree loan, there must be excluded from the student's grant income—
- (a) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.
- (4) There must also be excluded from a student's grant income the grant for dependents known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.
- (5) Subject to sub- paragraphs (6) and (7), a student's grant income must be apportioned—
- (a) subject to sub-paragraph (8), in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
  - (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.
- (6) Any grant in respect of dependents paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependents under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 must be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.
- (7) In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any

amount intended for the maintenance of dependents to which neither sub-paragraph (6) nor paragraph 80(2) (other amounts to be disregarded) applies, must be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.

- (8) In the case of a student on a sandwich course, any periods of experience within the period of study must be excluded and the student's grant income must be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.
- (9) The sums disregarded in respect of travel costs and the cost of books and equipment under sub-paragraph (3) shall be updated by the authority in line with the sums set by the Secretary of State for such costs and shall take effect at the beginning of each financial year.

## **77. Calculation of covenant income where a contribution is assessed**

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

The amount of the contribution.

- (1) The weekly amount of the student's covenant must be determined—
  - (a) by dividing the amount of income which falls to be taken into account under sub-paragraph (1) by 52 or 53, whichever is reasonable in the circumstances; and
  - (b) by disregarding £5 from the resulting amount.
- (2) For the purposes of sub-paragraph (1), the contribution must be treated as increased by the amount (if any) by which the amount excluded under paragraph 80(2)(g) (calculation of grant income) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

## **78. Covenant income where no grant income or no contribution is assessed**

- (1) Where a student is not in receipt of income by way of a grant the amount of his covenant income must be calculated as follows -
  - (a) any sums intended for any expenditure specified in paragraph 76(2)(a) to (e) (calculation of grant income) necessary as a result of his attendance on the course must be disregarded;

- (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, must be apportioned equally between the weeks of the period of study;
  - (c) there must be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 76(2)(f) and (3) (calculation of grant income) had the student been in receipt of the standard maintenance grant; and
  - (d) The balance, if any, must be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 must be disregarded.
- (2) Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income must be calculated in accordance with paragraphs (a) to (d) of sub-paragraph (1), except that —
- (a) the value of the standard maintenance grant must be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 76(2)(a) to (e); and
  - (b) The amount to be disregarded under paragraph (1) (c) must be abated by an amount equal to the amount of any sums disregarded under paragraph 76(2) (f) and (g) and (3).

### **79. Relationship with amounts to be disregarded under Schedule 3**

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

### **80. Other amounts to be disregarded**

- (1) For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with paragraph 85 (treatment of student loans), any amounts intended for any expenditure specified in paragraph 80(2) (calculation of grant income), necessary as a result of his attendance on the course must be disregarded.
- (2) But sub-paragraph (1) applies only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraph 76(2) or (3), 77(3), 78(1)(a) or (c) or 81(5) (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

### **81. Treatment of student loans and postgraduate master's degree loans**

- (1) A student loan and a postgraduate master's degree loan is to be treated as income.
- (2) In calculating the weekly amount of the loan to be taken into account as income —

- (a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period is to be apportioned equally between the weeks in the period beginning with —
- (i) except in a case where sub-paragraph (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;
  - (ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course,

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

- (b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year is to be apportioned equally between the weeks in the period—
- (i) beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year, and
  - (ii) ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year,

but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the authority, the longest of any vacation is taken and for the purposes of this paragraph, "quarter" has the same meaning as for the purposes of the Education (Student Support) Regulations 2005;

- (c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year is to be apportioned equally between the weeks in the period beginning with—
- (i) except in a case where sub-paragraph (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of that academic year;
  - (ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincides with, or immediately follows, the earlier of 1st September or the first day of the autumn term,

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

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

- (i) the first day of the first reduction week in September; or
- (ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of June, and, in all cases, from the weekly amount so apportioned £10 is to be disregarded.

A student is to be treated as possessing a student loan or a postgraduate master's degree loan in respect of an academic year where—

a student loan or a postgraduate master's degree loan has been made to him in respect of that year; or

- (a) he could acquire a student loan or a postgraduate master's degree loan in respect of that year by taking reasonable steps to do so.
- (3) Where a student is treated as possessing a student loan under paragraph (3), the amount of the student loan to be taken into account as income must be, subject to sub-paragraph (5) —
- (a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to —
    - (i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and
    - (ii) any contribution whether or not it has been paid to him;
  - (b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if—
    - (i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and
    - (ii) no deduction in that loan was made by virtue of the application of a means test.

(4A) Where a student is treated as possessing a postgraduate master's degree loan under paragraph (3) in respect of an academic year, the amount of that loan to be taken into account as income shall be, subject to paragraph (5), a sum equal to 30 percent of the maximum postgraduate master's degree loan the student is able to acquire in respect of that academic year by taking reasonable steps to do so.

- (4) There must be deducted from the amount of income taken into account under sub-paragraph (4) —
- (a) the sum of £303 per academic year in respect of travel costs; and

- (b) the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.
- (5) A loan for fees, known as a fee loan or a fee contribution loan, made pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998, section 22 of the Teaching and Higher Education Act 1998 or section 73(f) of the Education (Scotland) Act 1980, shall be disregarded as income.
- (6) The sums disregarded in respect of travel costs and the cost of books and equipment under by sub-paragraph (5) shall be uprated by the authority in line with the sums set by the Secretary of State for such costs and shall take effect at the beginning of each financial year.

### **81B Treatment of special support loans**

A special support loan within the meaning of regulation 68 of the Education (Student Support) Regulations 2011 is to be disregarded as income.

### **82. Treatment of payments from access funds**

- (1) This paragraph applies to payments from access funds that are not payments to which paragraph 85(2) or (3) (income treated as capital) applies.
- (2) A payment from access funds, other than a payment to which sub-paragraph (3) applies, must be disregarded as income.
- (3) Subject to sub-paragraph (4) of this paragraph and paragraph 40 of Schedule 3 (disregards in the calculation of income other than earnings) -
- (a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family, and
  - (b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable,
- must be disregarded as income to the extent of £20 per week.
- (4) Where a payment from access funds is made—
- (a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or
  - (b) before the first day of the course to a person in anticipation of that person becoming a student,

that payment must be disregarded as income.

### **83. Disregard of contribution**

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

### **84. Further disregard of student's income**

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

### **85. Income treated as capital**

- (1) Any amount by way of a refund of tax deducted from a student's covenant income must be treated as capital.
- (2) An amount paid from access funds as a single lump sum must be treated as capital.
- (3) An amount paid from access funds as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that applicant or member is liable, must be disregarded as capital but only for a period of 52 weeks from the date of the payment.

### **86. Disregard of changes occurring during summer vacation**

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

## **Part 19 Extended Reductions**

### **87. Extended reductions (qualifying income-related benefits)**

- (1) An applicant who is entitled to a reduction under this scheme is entitled to an extended reduction where—
  - (a) the applicant or the applicant's partner was entitled to a qualifying income-related benefit;
  - (b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner—
    - (i) commenced employment as an employed or self-employed earner;
    - (ii) increased their earnings from such employment; or

(iii) increased the number of hours worked in such employment,

and that employment is or, as the case may be, those increased earnings or increased number of hours are expected to last five weeks or more; and

(c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker's allowance or a

Combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.

- (2) For the purpose of sub-paragraph (1)(c), an applicant or an applicant's partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker's allowance during any period of less than five weeks in respect of which the applicant or the applicant's partner was not entitled to any of those benefits because the applicant or the applicant's partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.
- (3) For the purpose of this paragraph, where an applicant or an applicant's partner is entitled to and in receipt of joint-claim jobseeker's allowance they must be treated as being entitled to and in receipt of jobseeker's allowance.
- (4) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling within the scope of paragraphs 34 and 35 —
- (a) the applicant ceased to be entitled to a reduction under this 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 income-related benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).
- (5) This paragraph does not apply where, on the day before an applicant's entitlement to income support ceased, regulation 6(5) of the Income Support (General) Regulations 1987 (remunerative work: housing costs) applied to that applicant.

## **88. Duration of extended reduction period (qualifying income-related benefits)**

- (1) Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.



- (2) For the purpose of sub-paragraph (1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following
- (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 to whom the extended reduction is payable has no liability for council tax, if that occurs first.

### **89. Amount of extended reduction (qualifying income-related benefits)**

- (1) For any week during the extended reduction period the amount of the extended reduction to which an applicant is entitled is to be the higher of —
  - (a) the amount of the reduction under this scheme to which the applicant was entitled to by virtue of being a person falling within the scope of paragraphs 34 and 35, in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;
  - (b) the amount of reduction under this scheme to which the applicant would be entitled by virtue of being a person falling within the scope of paragraphs 34 and 35 for any reduction week during the extended reduction period, if paragraph 87, (extended reductions: qualifying income-related benefits) did not apply to the applicant; or
  - (c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of being a person falling within the scope of paragraphs 34 and 35, if paragraph 87 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 under this paragraph and the applicant's partner makes an application for a reduction under this scheme, no amount of reduction under this scheme is to be awarded by the authority during the extended reduction period.

### **90. Extended reductions—movers (qualifying income-related benefits)**

- (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 awarded from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme to which the mover would have been entitled had they, or their partner, not ceased to be entitled to a qualifying income-related benefit.

- (3) Where a mover's liability to pay council tax in respect of the new dwelling is to a second authority, the extended reduction may take the form of a payment from this authority to—
- (a) the second authority; or
  - (b) the mover directly.

### **91. Relationship between extended reduction and entitlement to reduction by virtue of being a person falling within the scope of paragraphs 34 and 35**

- (1) Where an applicant's entitlement to a reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 87(1)(b), that entitlement does not cease until the end of the extended reduction period.
- (2) Paragraphs 98 and 99 do not apply to any extended reduction payable in accordance with paragraph 87(1)(a) or 90(2) (amount of extended reduction — movers)

### **92. Extended reductions (qualifying contributory benefits)**

- (1) An applicant who is entitled to a reduction under this scheme by virtue of being a person falling within the scope of paragraphs 34 and 35, 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, those 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 this scheme by virtue of being a person falling within the scope of paragraphs 34 and 35,

- (a) the applicant ceased to be entitled to a reduction under this 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).

### **93. Duration of extended reduction period (qualifying contributory benefits)**

- (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.

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.

- (a) The extended reduction period ends—
- (b) at the end of a period of four weeks; or
- (c) on the date on which the applicant entitled to the extended reduction (qualifying contributory benefits) has no liability for council tax, if that occurs first.

### **94. Amount of extended reduction (qualifying contributory benefits)**

- (1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant is to be the greater of—

the amount of reduction under this scheme to which the applicant was entitled by virtue of being a person falling within the scope of paragraphs 34 and 35, in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;

- (a) the amount of reduction under this scheme to which the applicant would be entitled by virtue of being a person falling within the scope of paragraphs 34 and 35, for any reduction week during the extended reduction period, if paragraph 93 ( extended reductions (qualifying contributory benefits) did not apply to the applicant; or
- (b) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of being a person falling within the scope of paragraphs 34 and 35, if paragraph 93 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 this scheme, no amount of reduction may be allowed by the appropriate authority during the extended reduction period.

#### **95. Extended reductions (qualifying contributory benefits) - movers**

- (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) payable from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme which was awarded to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.
- (3) Where a mover's liability to pay council tax in respect of the new dwelling is to a second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from this authority to—
  - (a) the second authority; or
  - (b) the mover directly.

#### **96. Relationship between extended reduction (qualifying contributory benefits) and entitlement to a reduction by virtue of being a person falling within the scope of paragraphs 34 and 35**

- (1) Where an applicant's reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 87(1)(b), that reduction does not cease until the end of the extended reduction period.
- (2) Paragraphs 99 and 100 do not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 93(1) (a) or

### **Part 20 When entitlement begins and change of circumstances**

#### **97. Date on which entitlement begins**

- (1) Subject to sub-paragraph (2), any person by whom or in respect of whom an application for a reduction under this scheme is made and who is otherwise entitled to that reduction is so entitled from the reduction week following the date on which that application is made or is treated as made.
- (2) Where a person is otherwise entitled to a reduction under this scheme and becomes liable for the first time for the authority's council tax in respect of a

dwelling of which he is a resident in the reduction week in which his application is made or is treated as made, he is so entitled from that reduction week.

## **98. Date on which change of circumstances is to take effect**

- (1) Except in cases where paragraph 60 (disregard of changes in tax, contributions, etc.) applies and subject to the following provisions of this paragraph, a change of circumstances which affects entitlement to, or the amount of, a reduction under this scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs.
- (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 section 11 or 11A of that Act (discounts), it takes effect from the day on which the change in amount has effect.
- (5) Where the change of circumstances is an amendment to this scheme it shall take effect from the date on which the amendment to this scheme takes effect.
- (6) 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.
- (7) 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.
- (8) 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 (7) they take effect from the day to which the appropriate sub-paragraph from (3) to (7) above refers, or, where more than one day is concerned, from the earlier day.
- (9) 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.
- (10) Without prejudice to sub-paragraph (9), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been

timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

## **99. Time within which a claim for council tax reduction is to be made**

- (1) Where the authority has determined the date at which an application is made by virtue of Paragraph 26; the applicant can request that their application is treated as made on any date up to six calendar months earlier.
- (2) The authority must treat that earlier date as the date on which the application is made, where-
  - (a) one or more of the circumstances specified in sub-paragraph (3) applied to the applicant at that earlier date; and
  - (b) As a result of that circumstance or those circumstances the applicant could not reasonably have been expected to make their application at the earlier date.
- (3) The circumstances referred to in sub-paragraph (2) are—
  - (a) the applicant and or partner has a disability;
  - (b) The applicant and or partner has supplied the authority with medical evidence that satisfies the authority that the applicant had an illness that prevented the applicant from making an application.
  - (c) There were extraordinary circumstances that prevented the applicant and or partner making an application sooner.

## **Part 21 Changes in the amount of reduction**

### **100. Adjustments to the amount of reduction**

Where, due to a change of circumstances or other correction, the amount of reduction that an applicant is entitled to is adjusted, the authority shall issue a revised Demand Notice and adjust payments in respect of the applicant's council tax liability in accordance with Council Tax (Administration and Enforcement) Regulations 1992d

#### **100. 2 Prescribed requirements subsequent to a determination that an applicant is not entitled to a reduction.**

If the authority determines by virtue of the requirements of this scheme that on any day an applicant is not entitled to a reduction, that applicant cannot be entitled to a reduction on any date subsequent to the first date at which he is not entitled without first making a new application in accordance with paragraph 25.

## **Part 22 Transitional Provisions**

### **Transitional Provisions**

A reduction in a person's council tax charge awarded by virtue of Section 13A 1(c) of the LGFA 1992 in respect of any day subsequent to 31 March 2017 shall be determined in accordance with the preceding provisions of this scheme.

- (1) Any such reduction awarded in respect of any day;
  - (a) falling between April 1 2013 and March 31 2022 shall be determined in accordance with the Council Tax Reduction Scheme (persons who are not pensioners) (London Borough of Croydon) 2013, or
  - (b) Falling between April 1 2013 and March 31 2022 shall be determined in accordance with the Council Tax Reduction Scheme (persons who are not pensioners) (London Borough of Croydon)

## **Schedule 1**

### **Supplementary qualifying conditions for persons whom the authority considers require additional financial assistance**

1. Paragraphs 2-8 set out the supplementary qualifying conditions for the purposes of paragraph 35(2) (f) (ii).

#### **2. Disabled persons who would previously have qualified for a disability premium**

The condition is that—

- (a) where the applicant is a single applicant or a lone parent, he has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 3 is satisfied; or
- (b) where the applicant has a partner, either—
  - (i) the applicant has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 3(1)(a) or ( b) is satisfied by him; or
  - (ii) his partner has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 3(1)(a) is satisfied by his partner.

#### **2. Additional condition for disabled persons who would previously have qualified for a disability premium**

- (1) Subject to sub-paragraph (2), the additional condition referred to in paragraph 2 is that either —
  - (a) the applicant or, as the case may be, his partner —
    - (i) is in receipt of one or more of the following benefits: attendance allowance, disability living allowance, personal independence payment, and 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, 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 and the applicant has since remained continuously entitled to



- (aa) council tax benefit in relation to the period prior to 1<sup>st</sup> April 2013 and,
  - (bb) a reduction under this scheme (in relation to the period commencing on 1<sup>st</sup> 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 paragraph 64(11)(i) (treatment of child care 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 paragraph 64(11)(i) (treatment of child care charges); or
  - (v) was in receipt of an AFIP, but payment has been suspended in accordance with any terms of the armed and reserve forces compensation scheme which allow for suspension because a person is undergoing medical treatment in a hospital or similar institution; or
  - (vi) 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; or
  - (vii) is blind and in consequence registered in a register compiled by a local authority under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence he is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or is registered as severely sight-impaired in a register kept by a local authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014.
- (b) the applicant—
- (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.

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

- (2) For the purposes of sub-paragraph (1) (b), once the disability premium is applicable to an applicant by virtue of his satisfying the additional condition specified in that provision, if he then ceases, for a period of 8 weeks or less, to be treated as incapable of work or to be incapable of work he is, on again becoming so incapable of work, immediately thereafter to be treated as satisfying the condition in sub-paragraph (1) (b).
- (3) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of his satisfying the additional condition specified in that provision, he is to continue to be treated as satisfying that condition for any period spent by him in undertaking a course of training provided under section 2 of the Employment and Training Act 1973 or 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.
- (4) 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 are to be treated as one continuous period.
- (5) For the purposes of this sub-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 Act (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 rate of short-term incapacity benefit already payable to him is or was equal to or greater than the long-term rate.
- (6) In the case of an applicant 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) —
  - (a) the reference to a period of 8 weeks in paragraph (3); and
  - (b) the reference to a period of 56 days in paragraph (5),

In each case is to be treated as a reference to a period of 104 weeks.

- (7) The applicant is not entitled to the disability premium if he has, or is treated as having, limited capability for work.

#### **4. Disabled persons who would previously have qualified for a severe disability premium**

- (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 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 payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP; and
    - (ii) subject to sub-paragraph (4), 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 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 payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP; and
    - (ii) his partner is also in receipt of such an allowance or, if he is a member of a polygamous marriage, all the partners of that marriage are in receipt of such an allowance; and
    - (iii) subject to sub-paragraph (4), 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 in respect of caring for only one of a couple or, in the case of a polygamous marriage, for one or more but not all the partners of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance in respect of caring for either member of a couple or any partner of a polygamous 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 is treated as blind within the meaning of paragraph 3(1)(a)(v) and (2), that partner is to be treated for the purposes of sub-paragraph (2)(b)(ii) as if he were not a partner of the applicant.
- (4) 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 disability living allowance by virtue of the care component at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA or the daily living component of personal independence payment payable at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 ; or
  - (b) a person who is blind or is treated as blind within the meaning of paragraph 3(1) (a) (v) and (2).
- (5) 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 or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP, if he would, but for his being a patient for a period exceeding 28 days, be so in receipt;
  - (b) as being entitled to and in receipt of a carer's allowance 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.
- (6) For the purposes of sub-paragraph (2)(a)(iii) and (2)(b), 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.
- (7) In sub-paragraph (2)(a)(iii) and (b), references to a person being in receipt of a carer's allowance include references to a person who would have been in receipt of that allowance but for the application of a restriction under section 6B or 7 of the Social Security Fraud Act 2001 (loss of benefit provisions).

##### **5. Disabled persons who would previously have qualified for the Enhanced disability premium**

Subject to sub-paragraph (2), the condition is that —

- (a) the Secretary of State has decided that the applicant has, or is to be treated as having, limited capability for work-related activity; or
- (b) the care component of disability living allowance is, or would be payable at the highest rate prescribed under section 72(3) of the SSCBA, but for a suspension of benefit in accordance with regulations made 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 72(3) of the SSCBA in respect of—
  - (i) the applicant; or
  - (ii) a member of the applicant's family,
 who has not attained the qualifying age for state pension credit; or

(c) the daily living component of personal independence payment is, or would be payable at either rate under Part 4 of the Welfare Reform Act 2012, but for a suspension of benefit in accordance with section 86 of the Welfare Reform Act 2012 in respect of—

- (i) the applicant; or
- (ii) a member of the applicant's family,

who has not attained the qualifying age for state pension credit.

(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).

(3) The condition is not satisfied if the person to whom sub-paragraph (1) refers is—

(a) an applicant who—

- (i) is not a member of a couple or a polygamous marriage; and
  - (ii) is a patient within the meaning of paragraph 58(11)(e) (treatment of child care charges) and has been for a period of more than 52 weeks;
- or

(b) a member of a couple or a polygamous marriage where each member is a patient within the meaning of paragraph 58(11) (e) and has been for a period of more than 52 weeks.

## **6. Persons who would previously have qualified for a Disabled child premium**

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 or treated as blind within the meaning of paragraph 3; 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.

## **7. Persons who are entitled to the support component of employment and support allowance**

The condition is that the applicant is entitled to the support component by virtue of the Secretary of State having decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work-related activity.

## SCHEDULE 2

### Sums disregarded in the calculation of earnings

1. In the case of an applicant who has been engaged in remunerative work as an employed earner or, had the employment been in Great Britain, would have been so engaged—

(a) where—

(i) the employment has been terminated because of retirement; and

(ii) on retirement he is entitled to a retirement pension under the Act, or a state pension under Part 1 of the Pensions Act 2014, or is not so entitled solely because of his failure to satisfy the contribution conditions or to have the minimum number of qualifying years,

any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;

(b) where before the first day of entitlement to a reduction under this scheme the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except—

(i) any payment of the nature described in—

(aa) paragraph 51(1)(e) (retainer), or

(bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and

(ii) any award, sum or payment of the nature described in—

(aa) paragraph 51(1)(g) or (i), (compensation etc. relating to employment); or

(bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals),

including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;

(c) where before the first day of entitlement to a reduction under this scheme—

(i) the employment has not been terminated, but

(ii) the applicant is not engaged in remunerative work,

any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph 1(b)(d) or (ii)(bb) of this Schedule or paragraph 51(1)(j) (statutory sick pay etc.);

**2.** In the case of an applicant who, before the first day of entitlement to a reduction under this scheme—

(a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and has ceased to be engaged in that employment, whether or not that employment has been terminated,

any earnings paid or due to be paid in respect of that employment except—

(i) where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb) of this Schedule;

(ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) of this Schedule or paragraph 51(1)(j) (statutory sick pay etc.).

**3.** In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain, would have been so engaged and who has ceased to be so employed, from the date of the cessation of his employment, any earnings derived from that employment except earnings to which paragraph 53(3) and (4) (earnings of self-employed earners) apply.



4. In the case where the applicant or their partner satisfies one or more of the conditions described under paragraph 35 (Class A2: Persons who are entitled to a reduction and are considered to require additional financial assistance) £50 but, notwithstanding paragraph 44 (calculation of income and capital: applicant's family and polygamous marriages), if this paragraph applies to an applicant it must not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £50

5. —

(1) Where—

(a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;

(b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and

(c) paragraph 9 does not apply,

the amount specified in sub-paragraph (7) ("the specified amount").

(2) Where this paragraph applies, paragraphs 7 does not apply;

(3) Notwithstanding paragraph 44 (calculation of income and capital: applicant's family and polygamous marriages), if sub-paragraph (1) applies to one member of a couple ("A") it does not apply to the other member of that couple ("B") except to the extent provided in sub-paragraph (4).

(4) Where A's earnings are less than the specified amount, there must also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £30 unless the Secretary of State is satisfied that B is also undertaking exempt work.

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

(a) in receipt of a contributory employment and support allowance;

(b) in receipt of incapacity benefit;

(c) in receipt of severe disablement allowance; or

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

(6) “Exempt work” means work of the kind described in—

(a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008; or (as the case may be)

(b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,

and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

**6.** Any amount or the balance of any amount which would fall to be disregarded under paragraph 23 or 24 of Schedule 3 had the applicant’s income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.

**7.** Where an applicant is on income support, an income-based jobseeker’s allowance or an income-related employment and support allowance, his earnings.

**8.** Any earnings derived from employment, which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.

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

**10.** Any earnings of a child or young person

## **SCHEDULE 3**

### **Sums disregarded in the calculation of income other than earnings**

- 1) Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Pilot Scheme.
  - 2) Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Active Scheme.
  - 3) Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment Skills and Enterprise scheme
  - 4) Any amount paid by way of tax on income which is to be taken into account under paragraph 54 (calculation of income other than earnings).
  - 5) Any payment in respect of any expenses incurred or to be incurred by an applicants who is –
    - a. engaged by a charitable or voluntary organisation, or
    - b. a volunteer,

if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earning under paragraph 56(5)(notional income)
  - 6) Any payment in respect of expenses arising out of the applicant's participation in a service user group.
  - 7) In the case of employment or as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.
  - 8) Any disability living allowance or personal independence payment, or an AFIP Any disability living allowance or personal independence payment, or an AFIP
- (8) Any concessionary payment made to compensate for the non-payment of—
- (a) any payment specified in paragraph 11 or 14;
  - (b) income support;

- (c) an income-based jobseeker's allowance;
  - (d) an income-related employment and support allowance.
- (9) 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.
- (10) Any attendance allowance.
- (11) Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.

**16.**

- (1) Any payment—
- (a) by way of an education maintenance allowance made pursuant to—
    - (i) regulations made under section 518 of the Education Act 1996 (Payment of school expenses; grant of scholarships etc.);
    - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);
    - (iii) directions made under section 73 ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
  - (b) corresponding to such an education maintenance allowance, made pursuant to—
    - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and the Welsh Ministers to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
    - (ii) regulations made under section 181 of that act; or
  - (c) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to—
- (a) regulations made under section 518 of the Education Act 1996;
  - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
  - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,

In respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

**17.** Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.

- (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment —
- (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
  - (b) of an allowance referred to in section 2(3) of the Employment and Training Act 1973 or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
  - (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.
- (2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

**19.**

- (1) Subject to sub-paragraph (2), any of the following payments—
- (a) a charitable payment;
  - (b) a payment (not falling within paragraph (a)) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
  - (c) a payment under an annuity purchased—
    - (i) pursuant to any agreement or court order to make payments to the applicant; or
    - (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or
  - (d) a payment (not falling within paragraphs (a) to (c)) received by virtue of any agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.
- (2) Sub-paragraph (1) does not apply to a payment which is made or due to be made by

- (a) a former partner of the applicant, or a former partner of any member of the applicant's family; or
- (b) the parent of a child or young person where that child or young person is a member of the applicant's family.

**20.** Any of the following, namely—

- (a) a war widow's pension or war widower's pension; 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;
- (b) a guaranteed income payment;
- (c) 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;
- (d) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in paragraphs (a) to (d) above;
- (e) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

**21.** Subject to paragraph 40, £15 of any—

- (a) widowed mother's allowance paid pursuant to section 37 of the SSCBA;
- (b) widowed parent's allowance paid pursuant to section 39A of the SSCBA.

**22.**

- (1) Any income derived from capital to which the applicant is or is treated under paragraph 72 (capital jointly held) as beneficially entitled but, subject to sub-paragraph (2), not income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17 or 30 to 33 of Schedule 4.
- (2) Income derived from capital disregarded under paragraphs 5, 7 or 30 to 33 of Schedule 4 but only to the extent of—
  - (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
  - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.

- (3) The definition of “water charges” in paragraph 2(1) (interpretation) applies to sub-paragraph (2) of this paragraph with the omission of the words “in so far as such charges are in respect of the dwelling which a person occupies as his home”.

**23.** 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, sections 1 or 2 of the Education Act 1962 or 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.

**24.**

(1) Where the applicant is the parent of a student aged under 25 in advanced education who either—

- (a) is not in receipt of any award, grant or student loan in respect of that education; or
- (b) is in receipt of an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,

and the applicant makes payments by way of a contribution towards the student’s maintenance, other than a parental contribution falling within paragraph 23 an amount specified in sub-paragraph (2) in respect of each week during the student’s term.

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

- (a) the weekly amount of the payments; or the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b), whichever is less.

- 25.** Any payment made to the applicant by a child or young person or a non-dependant.
- (a) Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 25 or 27 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family— where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
  - (b) where the aggregate of any such payments is £20 or more per week, £20.
- 26.** Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to—
- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20, 100 percent of such payments;
  - (b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent of the excess over £20.
- 28.**
- (1) Any income in kind, except where article 60(11) (b) (provision of support under section 95 or 98 of the Immigration and Asylum Act 1999 in the calculation of income other than earnings) applies.
  - (2) The reference in sub-paragraph (1) to “income in kind” does not include a payment to a third party made in respect of the applicant, which is used by the third party to provide benefits in kind to the applicant.
- 29.** Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.
- 30.**
- (1) Any payment made to the applicant in respect of a person who is a member of his family—
    - (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978 (schemes for payments of allowances to adopters) or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes);



- (b) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
  - (c) which is a payment made by an authority, as defined in Article 2 of the Children (Northern Ireland) Order 1995, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance);
  - (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services);
- (2) Any payment, other than a payment to which sub-paragraph (1) (a) applies, made to the applicant pursuant to regulations under section 2(6) (b), 3 or 4 of the Adoption and Children Act 2002.
- 31.** Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made—
- (a) by a local authority under—
    - (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
    - (ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
    - (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
  - (b) by a voluntary organisation under section 59(1) (a) of the Children Act 1989 (provision of accommodation by voluntary organisations).
- 32.** Any payment made to the applicant or his partner for a person ("the person concerned"), who is not normally a member of the applicant's household but is temporarily in his care, by—
- (a) a health authority;
  - (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
  - (c) a voluntary organisation;
  - (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
  - (e) the person concerned where the payment is for accommodation to meet that person's needs for care and support arranged pursuant to section 35 and 36 of the Social Services and Well-being (Wales) Act 2014.
  - (f) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or

(g) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006.

**33.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

**34.**

(1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ("A") which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A—

- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

**35.**

(1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments—

- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
- (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.

(2) A payment referred to in sub-paragraph (1) is only to be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to—

- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (1)(b); and
- (b) meet any amount due by way of premiums on—
  - (i) that policy; or
  - (ii) in a case to which sub-paragraph (1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).

- 36.** Any payment of income which by virtue of paragraph 67 (income treated as capital) is to be treated as capital.
- 37.** Any -
- (a) social fund payment made pursuant to Part 8 of the SSCBA (the Social Fund); or
  - (b) occasional assistance.
- 38.** Any payment under Part 10 of the SSCBA (Christmas bonus for pensioners).
- 39.** Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 40.** The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 44(3) (calculation of income and capital: applicant's family and polygamous marriages) to be disregarded under paragraphs 76(2)(b) and 77(1)(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 81(2) (treatment of student loans), paragraph 82(3) (treatment of payments from access funds) and paragraphs 20 and 21 of this schedule shall in no case exceed £ 20 per week.
- 41.**
- (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
  - (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
    - (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
    - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
    - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
  - (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has

not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—

- (a) the person who is suffering from haemophilia or who is a qualifying person;
  - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
  - (c) Any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—
- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
  - (b) the payment is made either—
    - (i) to that person's parent or step-parent, or
    - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his education and has no parent or step-parent, to his guardian,

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

- (5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—
- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and
  - (b) the payment is made either—
    - (i) to that person's parent or step-parent, or
    - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

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

- (6) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.
- (7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.

**42.** Any housing benefit.

**43.** Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

**44.** Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.

**45.** Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act or further reduction under section 13A of the 1992 Act (reduction of liability for council tax).

**46.**

(1) Any payment or repayment made—

- (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (Travelling expenses and health service supplies);
- (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007, (Travelling expenses and health service supplies);
- (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers which is analogous to a payment or repayment mentioned in sub-paragraph (1).

**47.** Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).

**48.** Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.

**49.**

- (1) Where the applicant is treated by virtue of paragraph 7 as responsible for a dependent child or young person, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.
- (2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments must be aggregated and treated as if they were a single payment.
- (3) A payment made by the Secretary of State in lieu of maintenance must, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).

**50.**

Any payment of child maintenance made or derived from a liable relative where the child or young person in receipt of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner

- (1) In sub-paragraph (1)—

"Child maintenance" means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under—

- (a) the Child Support Act 1991;
- (b) the Child Support (Northern Ireland) Order 1991; (c) a court order;
- (d) a consent order;
- (e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;

"liable relative" means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.

- 51.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.

- 52.** Any guardian's allowance.

**53.**

- (1) If the applicant is in receipt of any benefit under Part 2, 3 or 5 of the SSCBA, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of that Act, where the dependent in respect of whom the increase is paid is not a member of the applicant's family.

- (2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependent in respect of whom the increase is paid is not a member of the applicant's family.
- 54.** 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.
- 55.** 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.
- 56.** Mm
- (1) Any payment which is—
- (a) made under any of the Dispensing Instruments to a widow, widower or surviving civil partner of a person—
- (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
- (ii) whose service in such capacity terminated before 31st March 1973; and
- (b) equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.
- (2) In this paragraph “the Dispensing Instruments” means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).
- 57.** Any council tax benefit to which the applicant is entitled.
- 58.** Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
- 59.**
- (1) Subject to sub-paragraph (2) , in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person—

- (a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;
- (b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity,

in respect of which such assistance is or was received.

- (2) Sub-paragraph (1) applies only in respect of payments which are paid to that person from the special account.

**60.**

- (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
- (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- (3) For the purposes of sub-paragraph (2) “food” does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

**61.** Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker’s allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.

**62.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.

**63.** Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001.

**64.**

- (1) Any payment made by a local authority or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
- (2) For the purposes of sub-paragraph (1) “local authority” includes, in England, a county council.

**65.** 100 percent of any payment of child benefit.



- 66.** Any bereavement support payment under section 30 of the Pensions Act 2014 (bereavement support payment) except any such payment which is disregarded as capital under paragraph 12(1) (g) or 65 of Schedule 4.
- 67.** 50% of any carers allowance
- 68.** Any payment received under the energy rebate scheme.
- 69.** The apportioned amount of Universal Credit paid for housing element, health element, disabled child element and half of carers element.

## **SCHEDULE 4**

### **Capital disregards**

1. Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Scheme but only for 52 weeks beginning with the date of receipt of the payment.
2. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work

Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.

3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in a scheme prescribed in regulation 3 of the Jobseeker's Allowance (Scheme for Assisting Persons Obtain Employment) Regulations 2013 but only for 52 weeks beginning with the date of receipt of the payment.
4. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, but, notwithstanding paragraph 44 (calculation of income and capital of members of applicant's family and of a polygamous marriage), only one dwelling shall be disregarded under this paragraph.
5. Any premises acquired for occupation by the applicant, which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.
6. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.
7. Any premises occupied in whole or in part—
  - (a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
  - (b) by the former partner of the applicant as his home; but this provision does not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.

8. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.

**11.**

(1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

(2) The assets of any business owned in whole or in part by the applicant where—

(a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but

(b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business,

for a period of 26 weeks from the date on which the application for a reduction under this scheme is made, or is treated as made, or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

(3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.

In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

**12.**

(1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of—

(a) any payment specified in paragraphs 11, 13 or 14 of Schedule 3;

(b) an income-related benefit under Part 7 of the SSCBA;

(c) an income-based jobseeker's allowance;

(d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;

(e) working tax credit and child tax credit;

(f) an income-related employment and support allowance,

(g) bereavement support payment under section 30 of the Pensions Act 2014, but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as “the relevant sum”) and is—

(a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001; and

(b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) has effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the period of an award of a reduction under this scheme, for the remainder of that period if that is a longer period.

(3) For the purposes of sub-paragraph (2), “the period of an award of a reduction under this scheme” means—

(a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and

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

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

(ii) Is the partner of the person who received the relevant sum, or was that person’s partner at the date of his death

### 13. Any sum—

(a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or

(b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home, which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

### 14.

#### Any sum—

- (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 as a condition of occupying the home;
  - (b) which was so deposited and which is to be used for the purchase of another home, for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.
- 15.** Any personal possessions, except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to a reduction under this scheme or to increase the amount of that reduction.
- 16.** The value of the right to receive any income under an annuity or the surrender value (if any) of such an n annuity.
- 17.** Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
- 18.**
- (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.
  - (2) But sub-paragraph (1)—
    - (a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;
    - (b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);
    - (c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;
    - (d) Does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.
  - (3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.
  - (4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).
- 19.** The value of the right to receive any income under a life interest or from a life rent.
- 20.** The value of the right to receive any income which is disregarded under paragraph 9 of Schedule 2 or paragraph 29 of Schedule 3.
- 21.** The surrender value of any policy of life insurance.

- 22.** Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
- 23.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

**24.**

- (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ("A") which A passes on to the applicant.
- (2) Sub-paragraph (1) applies only where A—
- (a) was formerly in the applicant's care, and
  - (b) is aged 18 or over, and
  - (c) Continues to live with the applicant.

**25.**

Any -

- (a) social fund payment made pursuant to Part 8 of the SSCBA (the social fund); or
  - (b) Occasional assistance.
- 26.** Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.
- 27.** Any capital which by virtue of paragraph 55 or 81 (capital treated as income, treatment of student loans) is to be treated as income.
- 28.** Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.

**29.**

- (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, the Independent Living Fund (2006), the Scottish infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love

Manchester Emergency Fund, the Windrush Compensation Scheme, or the London Bombings Relief Charitable Fund,

- (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 to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
  - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
  - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) the person who is suffering from haemophilia or who is a qualifying person;
  - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
  - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (4) 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 to which sub-paragraph (1) refers, where—
- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
  - (b) the payment is made either—

- (i) to that person's parent or step-parent; or
- (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or 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.

- (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 to which sub- paragraph (1) refers, where—
  - (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was or had been a member of his family; and
  - (b) the payment is made either—
    - (i) to that person's parent or step-parent; or
    - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian, but only for a period of two years from the relevant date.
- (7) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.
- (8) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts is to be construed as including a reference to, 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, and the London Bombings Relief Charitable Fund.

### **30.**

- (1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.
- (2) In this paragraph "dwelling" includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.



31. Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.
32. Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.
33. Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.
34. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
35. The value of the right to receive an occupational or personal pension.
36. The value of any funds held under a personal pension scheme.
37. The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.
38. Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
39. Any payment made pursuant to section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.
40. Any payment in consequence of a reduction of council tax under section 13A of the 1992 Act (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
41. Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used—
  - (a) to purchase premises intended for occupation as his home; or
  - (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home, for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.

**42.** Any arrears of supplementary pension which is disregarded under paragraph 54 of Schedule 3 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 55 or 56 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.

**43.**

(1) Any payment or repayment made—

- (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (Travelling expenses and health service supplies);
- (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (Travelling expenses and health service supplies);
- (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies), but only for a period of 52 weeks from the date of receipt of the payment or repayment.

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers which is analogous to a payment or repayment mentioned in sub-paragraph (1), but only for a period of 52 weeks from the date of receipt of the payment or repayment.

**44.** Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.

**45.** Any payment made under Part 8A of the SSCBA (entitlement to health in pregnancy grant).

**46.** Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.

**47.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.

**48.** Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Home Workers' Scheme.

**49.** [Note: not used]

**50.**

- (1) Any sum of capital to which sub-paragraph (2) applies and—
  - (a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 or by the Court of Protection;
  - (b) which can only be disposed of by order or direction of any such court; or
  - (c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.
- (2) This sub-paragraph applies to a sum of capital which is derived from—
  - (a) an award of damages for a personal injury to that person; or
  - (b) compensation for the death of one or both parents where the person concerned is under the age of 18.

**51** Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from—

- (a) award of damages for a personal injury to that person; or
- (b) compensation for the death of one or both parents where the person concerned is under the age of 18.

**52.** Any payment to the applicant as holder of the Victoria Cross or George Cross.

**53.** In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.

**54.**

- (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
- (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- (3) For the purposes of sub-paragraph (2) “food” does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

**55.**

(1) Any payment—

- (a) by way of an education maintenance allowance made pursuant to—
  - (i) regulations made under section 518 of the Education Act 1996;
  - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;
  - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2) (c) of the Further and Higher Education (Scotland) Act 1992;
- (b) corresponding to such an education maintenance allowance, made pursuant

to—

- (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and the Welsh Ministers to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
- (ii) regulations made under section 181 of that Act; or
- (c) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

(2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to—

- (a) regulations made under section 518 of the Education Act 1996;
- (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
- (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2) (c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

**56.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant,

being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.

- 57.** Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.
- 58.** Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or internment of—
- (a) the applicant;
  - (b) the applicant's partner;
  - (c) the applicant's deceased spouse or deceased civil partner; or
  - (d) The applicant's partner's deceased spouse or deceased civil partner, by the Japanese during the Second World War, £10,000.
- 59.**
- (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is—
- (a) a diagnosed person;
  - (b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
  - (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
  - (d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.
- (2) Where a trust payment is made to—
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
  - (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending two years after that date;
  - (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending—
    - (i) two years after that date; or
    - (ii) on the day before the day on which that person—

- (aa) ceases receiving full-time education; or
- (bb) attains the age of 20,

whichever is the latest.

(3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is—

- (a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
- (b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
- (c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death, but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.

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

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

(aa) ceases receiving full-time education; or

(bb) attains the age of 20, whichever is the latest.

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

- (a) being the diagnosed person's partner;
- (b) being a member of a diagnosed person's family;

(c) acting in place of the diagnosed person's parents, at the date of the diagnosed person's death includes a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.

(6) In this paragraph—

“Diagnosed person” means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant 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 person's eligible for payments in accordance with its provisions;

“Trust payment” means a payment under a relevant trust.

**60.** The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner—

- (a) was a slave 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.

**61.**

- (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
- (2) For the purposes of sub-paragraph (1) “local authority” includes in England a county council.

**62.** Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care).

**63.** Any payment made to the applicant pursuant to regulations under section 2(6) (b), 3 or 4 of the Adoption and Children Act 2002.

- 64.** Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).
- 65.** Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017 (rate of bereavement support payment), but only for a period of 52 weeks from the date of receipt of the payment.