

Changes to the Local Council Tax Reduction Scheme for Working Age Residents from 1 April 2017

The changes are outlined below. It is important to note that the changes *will only affect working age applicants, the prescribed scheme for pension age residents will remain unchanged.*

The New CTR Scheme for Working Age Residents from April 2017

The new scheme retains many of the features of the current provision in that:

- Entitlement is based on 100% of the applicant's council tax liability.
- The applicable amounts, premiums, income and capital disregards will remain identical to those used to assess Housing Benefit.
- A 20% taper will be applied to "excess income".
- Deductions will be made in respect of non dependants. However, there are significant changes to the level of deductions. (These are set out below).

Changes to the Scheme from April 2017

Non Dependand Deductions

The deductions for non dependants of working age CTR applicants from April 2017 are set out in the table below:

Aged 18 or over - All income	2017
- gross income: less than £195.00	4.00
- gross income: £195.00 to £281.99	8.00
- gross income: £282.00 to £370.49	12.00
- Income £370.50 per week and above	No CTR
- Lowest Deduction	4.00

The main points to note are:

1. The deductions are based on the non dep's actual income and the fact that they may be in receipt of a passported benefit will not mean that the lower deduction will be automatically applied. Where non dependants are in receipt of a passported benefit we will require evidence of all their income, including the amount of passported benefit they get in order to determine the correct deduction.
2. If any individual non dep's total gross weekly income is £370.50 or above the applicant will not be entitled to CTR. The amount of any passported benefit the non dep gets and any disability benefits will be included in the assessment of his/her total income.

3. The current exemptions from non dependant deductions that apply to claimants' will be retained. So, claimants who receive the daily living component of PIP, the care component of DLA, Attendance Allowance or are registered blind will not incur non dependant deductions.
4. Similarly those non dependants for whom deductions do not currently apply such as students and those aged under 18 will remain exempt under the new scheme.

New capital Limit

From 1 April 2017 the new capital limit for working age applicants will decrease from £16,000 to £6000 and those with capital at or above £6000 will not be entitled to CTR.

This means that there will no longer be any need to apply a tariff income to capital between £6000 and £16,000.

Self-Employed Claimants

A minimum income floor, (MIF) equivalent to 35 hours @ National Living Wage will be applied to claimants who have been self-employed for 12 months and have declared earnings below the MIF level.

The MIF will be applied from 1 April 2017 for claimants who have completed 12 months self-employment at this date and from the date 12 months self-employment is completed for claimants who have worked less than 1 year at 1 April 2017.

Absence from Home

From 1 April 2017 the period for which a claimant can remain entitled to CTR whilst absent from the UK will align with Housing benefit. I.e. in most cases the claimant will only be eligible if the period of absence is not expected to exceed 4 weeks.

Backdating

From 1 April 2017 the period for which entitlement can be backdated will decrease to 1 month in line with HB.