

Constitutional and Legislative Affairs Committee

Meeting Venue:
Committee Room 2 – Senedd

Meeting date:
18 November 2013

Meeting time:
13:30

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



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Agenda

1 Introduction, apologies, substitutions and declarations of interest

2 Instruments that raise no reporting issues under Standing Order 21.2 or 21.3 (Page 1)

CLA(4)-27-13: Paper 1 – Statutory Instruments with clear reports

Negative Resolution Instruments

CLA330 – The Home Energy Efficiency Schemes (Wales) (Amendment) Regulations 2013

Negative procedure: Date Made: 31 October 2013; Date Laid: 5 November 2013;
Coming into Force Date: 30 November 2013

Affirmative Resolution Instruments

CLA327 – The Local Government (Wales) Measure 2011 (Modification of Enactments and other Provisions) Order 2013

Affirmative Procedure: Date Made: Not stated; Date Laid: Not stated; Coming into force in accordance with article 1(1)

3 Instruments that raise issues to be reported to the Assembly under Standing Order 21.2 or 21.3

Affirmative Resolution Instruments

CLA328 – The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (Pages 2 - 312)

Affirmative procedure: Date Made: Not stated; Date Laid: Not stated; Coming into force in accordance with regulation 1(2)

CLA(4)-27-13 – Paper 2 – Regulations

CLA(4)-27-13 – Paper 3 – Explanatory Memorandum

CLA(4)-27-13 – Paper 4 – Report (Paper to follow)

CLA329 – The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013 (Pages 313 - 597)

Affirmative procedure: Date Made: Not stated; Date Laid: Not stated; Coming into force in accordance with regulation 1(2)

CLA(4)-27-13 – Paper 5 – Regulations

CLA(4)-27-13 – Paper 6 – Explanatory Memorandum

CLA(4)-27-13 – Paper 7 – Report (Paper to follow)

4 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

(vi) the committee is deliberating on the content, conclusions or recommendations of a report it proposes to publish; or is preparing itself to take evidence from any person.

- Consideration of Revised Legislative Consent Memorandum Anti-Social Behaviour, Crime and Policing Bill
- Draft Report on the Education (Wales) Bill

Consideration of Revised Legislative Consent Memorandum Anti-Social Behaviour, Crime and Policing Bill (Pages 598 - 612)

CLA(4)-27-13 - Paper 8: Background paper

CLA(4)-27-13 - Paper 9: Legislative Consent Memorandum

CLA(4)-27-13 - Paper 10: Legal Advice

CLA(4)-27-13 - Paper 11: Report

Draft Report on the Education (Wales) Bill (Pages 613 - 660)

CLA(4)-27-13 - Paper 12: Draft Report

5 Evidence in relation to the Inquiry into Wales' role in the EU decision-making process (Pages 661 - 666)

Public Session

(Indicative time 14:00 – 15:00)

Fiona Hyslop MSP, Cabinet Secretary for Culture and External Affairs, Scottish Government

CLA(4)-27-13 - Paper 13 - Written Evidence

6 Evidence in relation to the Inquiry into Wales' role in the EU decision-making process

(indicative time: 15:00 – 15:45)

Dr Hywel Ceri Jones MP, Chair of the External Advisory Board, Wales Governance Centre

7 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

(vi) the committee is deliberating on the content, conclusions or recommendations of a report it proposes to publish; or is preparing itself to take evidence from any person.

Paper to note (Pages 667 - 677)

CLA(4)-27-13 - Paper 14: European Commission Work Programme 2014: developments of most relevance to the Assembly's Committees

Transcript

View the [meeting transcript](#).

Constitutional and Legislative Affairs Committee

CLA(4)-27-13: Paper 1

BACKGROUND INFORMATION ON STATUTORY INSTRUMENTS WITH CLEAR REPORTS

CLA327 – The Local Government (Wales) Measure 2011 (Modification of Enactments and other Provisions) Order 2013

Procedure: Affirmative

This Order makes modifications to enactments which are considered appropriate in connection with the *Local Government (Wales) Measure 2011* (“the Measure”). This Order also makes saving provision which appears appropriate in connection with the Measure.

CLA330 – The Home Energy Efficiency Schemes (Wales) (Amendment) Regulations 2013

Procedure: Negative

These Regulations amend the Home Energy Efficiency Schemes (Wales) Regulations 2011 to ensure that individuals currently eligible for a package of home energy improvements under the Nest Scheme continue to be eligible for support when they are transferred to Universal Credit as a result of Welfare Reform and changes to Council Tax Benefit. The Regulations also remove the current exception applying to householders occupying a property under a shared-equity scheme

Agenda Item 3.1

Draft Regulations laid before the National Assembly for Wales under section 13A(8) of the Local Government Finance Act 1992, for approval by resolution of the National Assembly for Wales.

DRAFT WELSH STATUTORY INSTRUMENTS

2013 No. (W.)

COUNCIL TAX, WALES

The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013

EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 13A of the Local Government Finance Act 1992 (“the 1992 Act”) enables the Welsh Ministers to make regulations in connection with council tax reduction schemes. These Regulations require each billing authority in Wales to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, considered to be in financial need. Paragraphs 2 to 7 of Schedule 1B to the 1992 Act enable the Welsh Ministers to prescribe by regulations, matters that must be included in a scheme together with additional requirements which must or must not be included in a scheme.

Part 1 of these Regulations contains introductory provisions and definitions of key words and phrases. Part 2 makes provision about scheme requirements in relation to billing authorities in Wales, including classes of person, reductions and scheme procedural requirements. Part 3 prescribes classes of person who must be included in an authority’s scheme. Part 4 prescribes classes of person who must not be included in an authority’s scheme.

Part 5 and Schedules 1 to 5 prescribe the matters that must be included in an authority’s scheme in relation to pensioners. Schedules 1 to 5 set out the rules relevant to determine the eligibility of pensioners for a reduction and the amount of reduction under a scheme,

and set out how income and capital of pensioners is to be treated in calculating eligibility for a reduction.

Part 5 and Schedules 6 to 10 prescribe the matters that must be included in an authority's scheme in relation to persons who are not pensioners. Schedules 6 to 10 set out the rules relevant to determine the eligibility of non-pensioners for a reduction and the amount of reduction under a scheme, and set out how income and capital of non-pensioners is to be treated in calculating eligibility for a reduction, including in cases where a non-pensioner or partner has an award of universal credit.

Schedule 11 provides for the application of the scheme to students.

Part 5 and Schedules 12 to 14 prescribe the matters that must be included in an authority's scheme in respect of all applicants.

For the financial year beginning on 1 April 2013 billing authorities in Wales were required to make and implement council tax reduction schemes. Part 6 of these Regulations sets out the transitional provisions that will apply to persons who are in receipt of, or who have made an application for, a reduction under existing reduction schemes, when the new schemes come into operation.

The Welsh Ministers' Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with these Regulations.

A copy can be obtained from the Local Government Finance and Public Service Performance Division, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

Draft Regulations laid before the National Assembly for Wales under section 13A(8) of the Local Government Finance Act 1992, for approval by resolution of the National Assembly for Wales.

DRAFT WELSH STATUTORY
INSTRUMENTS

2013 No. (W.)

COUNCIL TAX, WALES

**The Council Tax Reduction
Schemes and Prescribed
Requirements (Wales) Regulations
2013**

Made

*Coming into force in accordance with
regulation 1(2)*

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The Welsh Ministers make the following Regulations in exercise of the powers conferred upon them by section 13A(4) of, and paragraphs 2 to 7 of Schedule 1B to, the Local Government Finance Act 1992⁽¹⁾.

In accordance with section 13A(8) of that Act, a draft of this instrument, has been laid before and approved by resolution of the National Assembly for Wales.

PART 1

General

Title, commencement and application

1.—(1) The title of these Regulations is the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013.

(2) These Regulations come into force on the day after the day on which they are made and apply in relation to Wales.

(3) These Regulations apply in relation to council tax reduction schemes made by authorities for financial years beginning on or after 1 April 2014.

Interpretation

2.—(1) In these Regulations—

“the 1992 Act” (“*Deddf 1992*”) means the Local Government Finance Act 1992;

“Abbeyfield Home” (“*Cartref Abbeyfield*”) means an establishment run by the Abbeyfield Society including all bodies corporate or unincorporated which are affiliated to that society;

“adoption leave” (“*absenoldeb mabwysiadu*”) means a period of absence from work on ordinary

(1) 1992 c.14. Section 13A was substituted by section 10(1) of the Local Government Finance Act 2012 (c.17), and Schedule 1B was inserted by section 10(2) and Schedule 4 to that Act.

or additional adoption leave by virtue of section 75A or 75B of the Employment Rights Act 1996⁽¹⁾;

“AFIP” (“*TALLA*”) 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⁽²⁾;

“applicable amount” (“*swm cymwysadwy*”) means—

- (a) in relation to a pensioner, the amount calculated in accordance with paragraph 1 of Schedule 1 and Schedule 2; and
- (b) in relation to a person who is not a pensioner, the amount calculated in accordance with—
 - (i) paragraphs 1 and 2 of Schedule 6 and Schedule 7; or
 - (ii) paragraph 3 of Schedule 6,

as the case may be;

“applicant” (“*ceisydd*”) means a person applying for a reduction under an authority’s scheme;

“application” (“*cais*”) means an application for a reduction under an authority’s scheme;

“appropriate DWP office” (“*swyddfa briodol yr Adran Gwaith a Phensiynau*”) 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 for income support, a jobseeker’s allowance or an employment and support allowance;

“assessment period” (“*cyfnod asesu*”) means the period determined—

- (a) in relation to pensioners—
 - (i) in relation to the earnings of a self-employed earner, in accordance with paragraph 14 of Schedule 1 for the purpose of calculating the weekly earnings of the applicant; or
 - (ii) in relation to any other income, in accordance with paragraph 11 of Schedule 1 for the purpose of calculating the weekly income of the applicant;
- (b) in relation to persons who are not pensioners, such period as is set out in paragraphs 10 to 12 of Schedule 6 over which income falls to be calculated;

(1) 1996 c.18. Sections 75A and 75B were inserted by section 3 of the Employment Act 2002 (c.22) and amended by the Work and Families Act 2006 (c.18), Schedule 1, paragraphs 33 and 34.

(2) 2004 c.32.

“attendance allowance” (*“lwfans gweini”*) means—

- (a) an attendance allowance under Part 3 of the SSCBA(1);
- (b) an increase of disablement pension under section 104 or 105 of the SSCBA;
- (c) a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983(2) 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” (*“yr awdurdod”*) means a billing authority in relation to whose area a scheme has effect in accordance with regulation 12;

“basic rate” (*“cyfradd sylfaenol”*) has the meaning given by the Income Tax Act 2007(3);

“the benefit Acts” (*“y Deddfau budd-dal”*) means the SSCBA, the Jobseekers Act 1995(4), the State Pension Credit Act 2002(5) and the Welfare Reform Act 2007(6);

“board and lodging accommodation” (*“prydau bwyd a llety”*) means accommodation provided to a person, or if that person is a member of a family, to that person or any other member of that person’s 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 that person’s family) and are consumed in that accommodation or associated premises;

“care home” (*“cartref gofal”*) has the meaning given by section 3 of the Care Standards Act 2000(7) and in Scotland means a care home service within the meaning given by paragraph 2 of Schedule 12 to the Public Services Reform (Scotland) Act 2010(8) and in Northern Ireland means a nursing home within the meaning of article 11 of the Health and Personal Social

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- (1) 1992 c.4. See sections 64 to 67 of that Act in relation to attendance allowance.
 - (2) S.I. 1983/686; relevant amending instruments are S.I. 1984/1675, 2001/420.
 - (3) 2007 (c.3); section 989 defines basic rate by reference to section 6(2) of that Act. Section 6(2) was amended by section 5 of the Finance Act 2008 (c.9) and section 6 of, and paragraphs 1 and 2 of Part 1 of Schedule 2 to, the Finance Act 2009 (c.10).
 - (4) 1995 c.18.
 - (5) 2002 c.16.
 - (6) 2007 c.5.
 - (7) 2000 c.14; section 3 was amended by paragraphs 1 and 4 of Schedule 5 to, the Health and Social Care Act 2008 (c.14).
 - (8) 2010 asp 8.

Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003⁽¹⁾ or a residential care home within the meaning of article 10 of that Order;

“the Caxton Foundation” (“*Sefydliad Caxton*”) means the charitable trust of that name established on 28 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” (“*plentyn*”) means a person under the age of 16;

“child benefit” (“*budd-dal plant*”) has the meaning given by section 141 of the SSCBA⁽²⁾;

“child tax credit” (“*credyd treth plant*”) means a child tax credit under section 8 of the Tax Credits Act 2002⁽³⁾;

“close relative” (“*perthynas agos*”) 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” (“*taliad consesiynol*”) 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⁽⁴⁾ are charged;

“contributory employment and support allowance” (“*lwfans cyflogaeth a chymorth cyfrannol*”) means a contributory allowance under Part 1 of the Welfare Reform Act 2007⁽⁵⁾;

“council tax benefit” (“*budd-dal treth gyngor*”) means council tax benefit under Part 7 of the SSCBA;

“couple” (“*cwpl*”) has the meaning given by regulation 4;

“designated office” (“*swyddfa ddynodedig*”) means the office of an authority designated by it for the receipt of applications—

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(1)	S.I. 2003/431 (N.I. 9).
(2)	Section 141 was amended by section 1 of the Child Benefit Act 2005 (c.6).
(3)	2002 c.21; section 8 has been repealed by section 147 of, and Part 1 of Schedule 14 to, the Welfare Reform Act 2012 (c.5) but those provisions are not yet in force.
(4)	2002 c.21.
(5)	2007 c.5; Part 1 concerns employment and support allowance, amendments are referenced where relevant.

- (a) by notice upon or with a form supplied by the authority for the purposes of making an application; or
- (b) by reference upon or with such a form to some other document available 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” (*“hwfans byw i’r anabl”*) means a disability living allowance under section 71 of the SSCBA(1);

“dwelling” (*“annedd”*) has the meaning given by section 3 of the 1992 Act;

“earnings” (*“enillion”*) has the meaning given by paragraphs 12, 14 and 15 of Schedule 1 and paragraph 14 or 16 of Schedule 6 as the case may be;

“the Eileen Trust” (*“Ymddiriedolaeth Eileen”*) means the charitable trust of that name established on 29 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” (*“cyfathrebiad electronig”*) has the same meaning as in section 15(1) of the Electronic Communications Act 2000(2);

“employed earner” (*“enillydd cyflogedig”*) is to be construed in accordance with section 2(1)(a) of the SSCBA(3) 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” (*“y Cynllun Cyflogaeth, Sgiliau a Menter”*) means a scheme under section 17A (schemes for assisting persons to obtain employment: “work for your benefit” schemes etc.) of the Jobseekers Act 1995(4) known by that name and provided

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- (1) Section 71 was amended by section 67(1) of the Welfare Reform and Pensions Act 1999 (c.30), and repealed by section 90 of the Welfare Reform Act 2012 (c.5) (not yet in force).
 - (2) 2000 c.7; the definition of “electronic communication” contained in section 15(1) was amended by section 406 of, and paragraph 158 of Schedule 17 to, the Communications Act 2003 (c.21).
 - (3) Section 2(1)(a) was amended by the Income Tax (Earnings and Pensions) Act 2003, Schedule 6, paragraphs 169 and 171 (c.1).
 - (4) Section 17A was inserted by the Welfare Reform Act 2009 (c.24), section 1 and amended by the Welfare Reform Act 2012 (c.5), Schedule 7, paragraphs 1 and 4, and Schedule 14,

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” (*“parth cyflogaeth”*) means an area within Great Britain designated for the purposes of section 60 of the Welfare Reform and Pensions Act 1999⁽¹⁾ and an “employment zone programme” (*“rhaglen parth cyflogaeth”*) means a programme established for such an area or areas designed to assist claimants for a jobseeker’s allowance to obtain sustainable employment;

“employment zone contractor” (*“contractwr parth cyflogaeth”*) means a person who is undertaking the provision of facilities in respect of an employment zone programme on behalf of the Secretary of State for Work and Pensions;

“enactment” (*“deddfiad”*) includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament or an Act or Measure of the National Assembly for Wales;

“extended reduction” (*“gostyngiad estynedig”*) means a reduction under a scheme to which a person is eligible under Part 5 of Schedule 1 and Part 5 of Schedule 6;

“extended reduction period” (*“cyfnod gostyngiad estynedig”*) means the period for which a person is in receipt of an extended reduction in accordance with paragraph 33 of Schedule 1 and paragraph 35 of Schedule 6 or paragraph 40 of Schedule 6;

“extended reduction (qualifying contributory benefits)” (*“gostyngiad estynedig (budd-daliadau cyfrannol cymwys)”*) means a reduction under a scheme for which a person is eligible pursuant to paragraph 32 of Schedule 1 and paragraph 39 of Schedule 6;

“family” (*“teulu”*) has the meaning given by regulation 6;

“the Fund” (*“y Gronfa”*) 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 24 April 1992 or, in Scotland, on 10 April 1992;

“guarantee credit” (*“credyd gwarant”*) is to be construed in accordance with sections 1 and 2 of the State Pension Credit Act 2002⁽²⁾;

Parts 1 and 3 (not yet in force). The section is repealed by Part 4 of Schedule 14 to that Act (not yet in force).

(1) 1999 c.30.

(2) 2002 c.16.

“a guaranteed income payment” (“*taliad incwm gwarantedig*”) means a payment made under article 15(1)(c) or article 29(1)(a) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011(1);

“housing benefit” (“*budd-dal tai*”) means housing benefit under Part 7 of the SSCBA;

“an income-based jobseeker’s allowance” (“*lwfans ceisio gwaith ar sail incwm*”) and “a joint-claim jobseeker’s allowance” (“*lwfans ceisio gwaith cyd-hawliad*”) have the meanings given by section 1(4) of the Jobseekers Act 1995(2);

“income-related employment and support allowance” (“*lwfans cyflogaeth a chymorth ar sail incwm*”) means an income-related allowance under Part 1 of the Welfare Reform Act 2007;

“independent hospital” (“*ysbyty annibynnol*”)—

- (a) in England means a hospital as defined by section 275 of the National Health Service Act 2006(3) 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(4); and
- (c) in Scotland means an independent healthcare service as defined by section 10F of the National Health Service (Scotland) Act 1978(5);

“the Independent Living Fund (2006)” (“*y Gronfa Byw’n Annibynnol (2006)*”) means the Trust of that name established by a deed dated 10 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” (“*cerbyd ar gyfer pobl anabl neu fath arall o gerbyd*”) 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” (“*Cronfa Gymorth Elusennol Bomiau Llundain*”)

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- (1) S.I. 2011/517.
 - (2) 1995 c.18. Section 1(4) was amended by the Welfare Reform and Pensions Act 1999, Schedule 7, paragraphs 1 and 2(1) and (4); the Civil Partnership Act 2004 (c.33); section 4 of the Welfare Reform Act 2009 (c.24), and is repealed by the Welfare Reform Act 2012, Schedule 14, Part 1 (not yet in force).
 - (3) 2006 c.41. The definition of “health service hospital” has been amended by the Health and Social Care Act 2012 (c.7), Schedule 4, paragraph 138.
 - (4) 2000 c.14; section 2 was amended by the Health and Social Care Act 2008 (c.14), Schedule 5, paragraphs 1 and 3.
 - (5) 1978 c.29; section 10F was inserted by section 108 of the Public Services Reform (Scotland) Act 2010 (asp 8).

means the company limited by guarantee (number 5505072), and registered charity of that name established on 11 July 2005 for the purpose of (amongst other things) relieving sickness, disability or financial need of victims (including families or dependants of victims) of the terrorist attacks carried out in London on 7 July 2005;

“lone parent” (“*unig riant*”) 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” (“*Ymddiriedolaeth Macfarlane (Taliadau Arbennig)*”) means the trust of that name, established on 29 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” (“*Ymddiriedolaeth Macfarlane (Taliadau Arbennig) (Rhif 2)*”) means the trust of that name, established on 3 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” (“*Ymddiriedolaeth Macfarlane*”) 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” (“*Iwfans cyflogaeth a chymorth prif wedd*”) 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⁽¹⁾ except in Part 1 of Schedule 3;

“maternity leave” (“*absenoldeb mamaeth*”) means a period during which a woman is absent from work because the woman is pregnant or has given birth to a child, and at the end of which the woman has a right to return to work either under the terms of the woman’s contract of employment or under Part 8 of the Employment Rights Act 1996⁽²⁾;

“maximum council tax reduction amount” (“*uchafswm gostyngiad treth gyngor*”) means the amount determined in accordance with paragraph 2 of Schedule 1 and paragraph 4 of Schedule 6;

(1) Section 2(1)(b) is amended by the Welfare Reform Act 2012, Schedule 23, paragraph 24 (partially in force); section 4 is repealed by Part 1 of Schedule 14 to that Act (not yet in force).

(2) 1996 c.18.

“member of a couple” (“*aelod o gwpl*”) means a member of a married or unmarried couple;

“MFET Limited” (“*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” (“*atodiad symudedd*”) means—

- (a) in relation to pensioners, a supplement to which paragraph 5(1)(a)(vii) of Schedule 3 refers;
- (b) in relation to persons who are not pensioners, a supplement to which paragraph 13 of Schedule 9 refers;

“mover” (“*symudwr*”) 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;

“net earnings” (“*enillion net*”) means such earnings as are calculated in accordance with paragraph 13 of Schedule 1 or paragraph 15 of Schedule 6, as the case may be;

“net profit” (“*elw net*”) means such profit as is calculated in accordance with paragraph 23 of Schedule 1 or paragraph 24 of Schedule 6, as the case may be;

“new dwelling” (“*annedd newydd*”) means, for the purposes of the definition of “second authority” and paragraph 35 of Schedule 1, paragraphs 37 and 42 of Schedule 6, the dwelling to which an applicant has moved, or is about to move, in which the applicant will be resident;

“non-dependant” (“*annibynnydd*”) has the meaning given by regulation 9;

“occasional assistance” (“*cymorth achlysurol*”) 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 circumstance, 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” (“*awdurdod lleol*”) has the meaning given by section 270(1) of the Local Government Act 1972(1); and

(ii) “qualifying individuals” (“*unigolion cymwys*”) means individuals who have been, or without the assistance might otherwise be—

(aa) in prison, hospital, an establishment providing residential care or other institution, or

(bb) homeless or otherwise living an unsettled way of life;

“occupational pension” (“*pensiwn galwedigaethol*”) 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” (“*cynllun pensiwn galwedigaethol*”) has the same meaning as in section 1 of the Pension Schemes Act 1993(2);

“ordinary clothing and footwear” (“*dillad ac esgidiau cyffredin*”) means clothing or footwear for normal daily use, but does not include school uniforms, or clothing or footwear used solely for sporting activities;

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

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

(b) subject to paragraph (c), where that person is polygamously married to two or more members of that person’s household, any such member to whom that person 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” (“*absenoldeb tadolaeth*”) means a period of absence from work on leave by virtue of section 80A or 80B of the Employment Rights Act 1996 or on additional paternity leave by virtue

(1) 1972 c.70. This definition of local authority was amended by section 102 of, and paragraph 8 of Schedule 16 and Schedule 17 to the Local Government Act 1985 (c.51). Other amendments have been made to that definition but they are not relevant to these Regulations.

(2) 1993 c.48. The definition of “occupational pension scheme” was substituted by section 239 of the Pensions Act 2004 (c.35) and amended by S.I. 2007/3014.

of regulations made under section 80AA or 80BB of that Act⁽¹⁾;

“pension fund holder” (*“deiliad cronfa bensiwn”*) 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” (*“oedran pensiyndwy”*) has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995⁽²⁾;

“pensioner” (*“pensiynwr”*) has the meaning given by regulation 3(a);

“person on income support” (*“person ar gymhorthdal incwm”*) means a person in receipt of income support;

“person who is not a pensioner” (*“person nad yw’n bensiynwr”*) has the meaning given by regulation 3(b);

“persons treated as not being in Great Britain” (*“personau a drinnir fel pe na baent ym Mhrydain Fawr”*) has the meaning given by regulation 28;

“personal independence payment” (*“taliad annibynnïaeth bersonol”*) has the meaning given by Part 4 of the Welfare Reform Act 2012⁽³⁾;

“personal pension scheme” (*“cynllun pensiwn personol”*) means—

- (a) a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993⁽⁴⁾;
- (b) an annuity contract or trust scheme approved under section 620 or 621 of the Income and Corporation Taxes Act 1988⁽⁵⁾ 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⁽⁶⁾;

(1) 1996 c.18. Sections 80A and 80B were inserted by section 1 of the Employment Act 2002 (c.22) and sections 80AA and 80BB were inserted by section 3 of the Work and Families Act 2006 (c.18). Relevant regulations made under these sections are S.I. 2002/2788 and S.I. 2003/921 (made under sections 80A and 80B) and S.I. 2010/1055 and S.I. 2010/1059 (made under sections 80AA and 80BB).

(2) 1995 c.26; paragraph 1 has been amended by the State Pension Credit Act 2002 (c.16), Schedule 2, paragraph 39; the Welfare Reform Act 2007 (c.5), Schedule 3, paragraph 13; the Pensions Act 2007 (c.22), Schedule 3, paragraph 4; and section 1 of the Pensions Act 2011 (c.19).

(3) 2012 c.5.

(4) 1993 c.48; the definition of “personal pension scheme” was substituted by section 239 of the Pensions Act 2004 (c.35) and amended by sections 70 and 114 of, and paragraph 23 of Schedule 20 and paragraph 3 of Schedule 27 to, the Finance Act 2007 (c.11).

(5) 1988 c.1.

(6) 2004 c.12.

- (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” (*“polisi yswiriant bywyd”*) 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” (*“priodas amlbriod”*) means any marriage to which regulation 5 applies;

“public authority” (*“awdurdod cyhoeddus”*) includes any person whose functions are functions of a public nature;

“qualifying age for state pension credit” (*“oedran cymhwyso ar gyfer credyd pensiwn y wladwriaeth”*) means (in accordance with section 1(2)(b) and (6) of the State Pension Credit Act 2002)(1)—

- (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” (*“budd-dal cyfrannol cymwys”*) means—

- (a) severe disablement allowance;
(b) incapacity benefit;
(c) contributory employment and support allowance;

“qualifying income-related benefit” (*“budd-dal cymwys ar sail incwm”*) means—

- (a) income support;
(b) income-based jobseeker’s allowance;
(c) income-related employment and support allowance;

“qualifying person” (*“person cymwys”*) means a person in respect of whom payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;

“reduction week” (*“wythnos ostyngiad”*) means a period of seven consecutive days beginning with a Monday and ending with a Sunday;

(1) 2002 c.16.

“relative” (*perthynas*) means a close relative, grandparent, grandchild, uncle, aunt, nephew or niece;

“relevant week” (*wythnos berthnasol*), in relation to any particular day, means the week within which the day in question falls;

“remunerative work” (*gwaith am dâl*) has the meaning given by regulation 10;

“rent” (*rhent*) means “eligible rent” to which regulation 12 of the Housing Benefit (Persons who have acquired the qualifying age for state pension credit) Regulations 2006⁽¹⁾ refer, less any deductions in respect of non-dependants which fall to be made under paragraph 3 of Schedule 1 and paragraph 5 of Schedule 6 (non-dependent deductions) under an authority’s scheme;

“resident” (*preswylydd*) has the meaning given by Part 1 of the 1992 Act;

“savings credit” (*credyd cynilion*) is to be construed in accordance with sections 1 and 3 of the State Pension Credit Act 2002⁽²⁾;

“scheme” (*cynllun*) means a council tax reduction scheme as prescribed within Parts 2 to 5 of these Regulations;

“second authority” (*ail awdurdod*) means the authority to which a mover is liable to make payments for a new dwelling;

“self-employed earner” (*enillydd hunangyflogedig*) is to be construed in accordance with section 2(1)(b) of the SSCBA;

“self-employment route” (*llwybr hunangyflogaeth*) means assistance in pursuing self-employed earner’s employment whilst participating in—

- (a) an employment zone programme;
- (b) a programme provided by or under arrangements made pursuant to section 2 of the Employment and Training Act 1973⁽³⁾ (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990⁽⁴⁾ (functions in relation to training for employment, etc); or
- (c) the Employment, Skills and Enterprise Scheme;

(1) S.I. 2006/214; amended by S.I. 2007/1356, 2007/2869.
(2) 2002 c.16. Section 3 was amended by the Civil Partnership Act 2004 (c.33), Schedule 24, paragraph 140 and S.I. 2002/1792.
(3) 1973 c.50. Section 2 was substituted by section 25(1) of the Employment Act 1988 (c.19) and repealed in part by the Employment Act 1989 (c.38), Schedule 7, Part 1.
(4) 1990 c.35.

“service user group” (“*grŵp defnyddwyr gwasanaeth*”) means a group of individuals that is consulted by or on behalf of—

- (a) a Health Board, Special Health Board or the Common Services Agency for Scottish Health in consequence of a function under section 2B of the National Health Service (Scotland) Act 1978⁽¹⁾,
- (b) a landlord authority⁽²⁾ in consequence of a function under section 105 of the Housing Act 1985⁽³⁾,
- (c) a public authority in Northern Ireland in consequence of a function under section 49A of the Disability Discrimination Act 1995⁽⁴⁾,
- (d) a public authority in consequence of a function under section 149 of the Equality Act 2010 (public authority general duty)⁽⁵⁾,
- (e) a best value authority in consequence of a function under section 3 of the Local Government Act 1999⁽⁶⁾,
- (f) a Welsh improvement authority in consequence of a function under section 5 of the Local Government (Wales) Measure 2009⁽⁷⁾,
- (g) a local authority landlord or registered social landlord in consequence of a function under section 53 of the Housing (Scotland) Act 2001⁽⁸⁾,
- (h) a relevant English body or a relevant Welsh body in consequence of a function under section 242 of the National Health Service Act 2006⁽⁹⁾,
- (i) a Local Health Board in consequence of a function under section 183 of the National Health Service (Wales) Act 2006⁽¹⁰⁾,

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- (1) 1978 c.29.
 - (2) See definition of “landlord authority” in section 114 of the Housing Act 1985 (c.68). Section 114 was amended by section 83(4) of the Housing Act 1988 (c.50); the Government of Wales Act 1998 (c.38) sections 129 and 152, Schedule 15, paragraph 10, and Schedule 18, Part IV; the Localism Act 2011 (c.20) section 222 and Schedule 22, paragraphs 9 and 12; S.I. 1996/2325; and S.I. 2010/866.
 - (3) 1985 c.68; section 105 was amended by S.I. 1996/2325; the Government of Wales Act 1998 (c.38), Schedule 8, paragraph 5 and Schedule 16, paragraph 5, and S.I. 2010/866.
 - (4) 1995 c.50; section 49A was inserted in respect of Northern Ireland by article 5 of S.I. 2006/312 (N.I. 1).
 - (5) 2010 c.15.
 - (6) 1999 c.27; section 3 was amended by section 137 of the Local Government and Public Involvement in Health Act 2007 (c.28).
 - (7) 2009 nawm 2.
 - (8) 2001 asp 10.
 - (9) 2006 c.41.
 - (10) 2006 c.42.

- (j) the Care Quality Commission in exercise of a function under sections 4 or 5 of the Health and Social Care Act 2008(1),
- (k) the regulator or a private registered provider of social housing in consequence of a function under sections 98, 193 or 196 of the Housing and Regeneration Act 2008(2), or
- (l) a public or local authority in Great Britain in consequence of a function conferred under any other enactment,

for the purposes of monitoring and advising on a policy of that body or authority which affects or may affect persons in the group, or of monitoring or advising on services provided by that body or authority which are used (or may potentially be used) by those persons;

“single applicant” (“*ceisydd sengl*”) means an applicant who neither has a partner nor is a lone parent;

“the Skipton Fund” (“*Cronfa Skipton*”) means the ex-gratia payment scheme administered by the Skipton Fund Limited, incorporated on 25 March 2004, for the benefit of certain persons suffering from hepatitis C and other persons eligible for payment in accordance with the scheme’s provisions;

“sports award” (“*dyfarniad chwaraeon*”) means an award made by one of the Sports Councils named in section 23(2) of the National Lottery etc Act 1993 out of sums allocated to it for distribution under that section(3);

“the SSCBA” (“*DCBNC*”) means the Social Security Contributions and Benefits Act 1992(4);

“state pension credit” (“*credyd pensiwn y wladwriaeth*”) means state pension credit under the State Pension Credit Act 2002(5);

“student” (“*myfyriwr*”) has the meaning prescribed within paragraph 1 of Schedule 11;

“subsistence allowance” (“*lwfans cynhaliaeth*”) means an allowance which an employment zone contractor has agreed to pay to a person who is participating in an employment zone programme;

(1) 2008 c.14; section 4 has been amended by section 189 of the Health and Social Care Act 2012 (c.7).

(2) 2008 c.17; section 193 was amended the Localism Act 2011 (c.20), Schedule 17, paragraphs 1 and 4 and Schedule 25, Part 27; section 196 was amended by section 26(4) of the Local Democracy, Economic Development and Construction Act 2009 (c.20) and the Localism Act 2011, sections 178, 195 and 237, and Schedules 19 and 25.

(3) 1993 c.39; subsection (2) was amended by S.I. 1996/3095 and 1999/1563.

(4) 1992 c.4.

(5) 2002 c.16.

“tax year” (“*blwyddyn dreth*”) means a period beginning with 6 April in one year and ending with 5 April in the next;

“training allowance” (“*lwfans hyfforddi*”) 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, the Chief Executive of Skills Funding or the Welsh Ministers;
- (b) to a person for that person’s maintenance or in respect of a member of that person’s family; and
- (c) for the period, or part of the period, during which that person 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 that person 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 that person is following a course of full-time education, other than under arrangements made under section 2 of the Employment and Training Act 1973⁽¹⁾ or is training as a teacher;

“the Trusts” (“*yr Ymddiriedolaethau*”) means the Macfarlane Trust, the Macfarlane (Special Payments) Trust and the Macfarlane (Special Payments) (No 2) Trust;

“universal credit” (“*credyd cynhwysol*”) has the meaning given by section 1 of the Welfare Reform Act 2012⁽²⁾;

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

“war disablement pension” (“*pensiwn anabled rhwyfel*”) 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⁽³⁾;

(1) 1973 c.50; section 2 was substituted by the Employment Act 1988 (c.19), section 25 and amended by the Employment Act 1989 (c.38), Schedule 7, Part 1.

(2) 2012 c.5.

(3) 2003 c.1; subsection (2) was inserted by section 19 of the Finance Act 2005 (c.7).

“war pension” (“*pensiwn rhyfel*”) means a war disablement pension, a war widow’s pension or a war widower’s pension;

“war widow’s pension” (“*pensiwn rhyfel gwraig weddw*”) means any pension or allowance payable to a woman as a widow under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

“war widower’s pension” (“*pensiwn rhyfel gŵr gweddw*”) 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” (“*taliadau dŵr*”) means—

- (a) as respects England and Wales, any water and sewerage charges under Chapter 1 of Part 5 of the Water Industry Act 1991⁽¹⁾,
- (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⁽²⁾,

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

“working tax credit” (“*credyd treth gwaith*”) means a working tax credit under section 10 of the Tax Credits Act 2002⁽³⁾;

“young person” (“*person ifanc*”) means a person who falls within the definition of qualifying young person in section 142 of the SSCBA⁽⁴⁾.

(2) In these Regulations, where an amount is to be rounded to the nearest penny, a fraction of a penny must be disregarded if it is less than half a penny and must otherwise be treated as a whole penny.

(3) For the purpose of these Regulations, 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 that person and on any day—

- (a) in respect of which that person satisfies the conditions for entitlement to an income-based jobseeker’s allowance but where the allowance is not paid because of a reduction in accordance with section 19 or 19A or

(1) 1991 c.56.

(2) 2002 asp 3; section 29 was substituted, and sections 29A–29G were inserted, by section 21 of the Water Services etc (Scotland) Act 2005 (asp 3).

(3) 2002 c.21.

(4) Section 142 was amended by section 1 of the Child Benefit Act 2005 (c.6).

regulations made under section 17A or 19B of the Jobseeker's Act 1995⁽¹⁾ (circumstances in which 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 that person or would be payable to that person 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⁽²⁾ (loss of benefit provisions).

(4) For the purposes of these Regulations, 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 that person and on any day—

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- (1) 1995 c.18. Section 19 (together with sections 19A to 19C), has been substituted by section 46 of the Welfare Reform Act 2012 (c.5); section 17A has been repealed by Part 4 of Schedule 14 to, the Welfare Reform Act 2012 although that provision is not yet in force. In the meantime amendments have been made to section 17A by sections 48 and 59 of, and Schedules 7 and 14 to, that Act.
 - (2) 2001 c.11; section 6B was amended by sections 9, 24 and 58 of, and paragraphs 9 and 10 of Schedule 2 and Part 1 of Schedule 7 to, the Welfare Reform Act 2009 (c.24); sections 31, 33, 113, 118, 119, 121 and 147 of, paragraphs 56 and 58 of Schedule 2, paragraphs 15 and 16 of Schedule 3, Parts 1 and 12 of Schedule 14, to the Welfare Reform Act 2012 (c.5), of which only those made by sections 113(1)(b), 118(1) to (4) and 119 are in force. Section 7 was amended by section 14 of, and Part 3 of Schedule 3 to, the State Pension Credit Act 2002 (c.16); sections 28 and 49 of, and paragraph 23 of Schedule 3 to, the Welfare Reform Act 2007 (c.5); sections 9, 24 and 58 of, and paragraphs 9 and 11 of Schedule 2, Part 1 of Schedule 4 and Part 1 of Schedule 7 to, the Welfare Reform Act 2009 (of which those made by sections 9, 31 and Schedule 7 are not yet in force); S.I. 2011/2298; sections 31, 33, 118, 119 and 147 of, and paragraphs 56 and 59 of Schedule 2, paragraphs 15 and 17 of Schedule 3 and Part 1 of Schedule 14 to, the Welfare Reform Act 2012, of which only those made by sections 118 and 119 are in force. Section 8 has been repealed by section 147 of, and Part 1 of Schedule 14, to the Welfare Reform Act 2012, but that repeal is not yet in force. Amendments have also been made by sections 1, 24, and 58 of, and Part 1 of Schedule 4 and Part 3 of Schedule 7 to, the Welfare Reform Act 2009; sections 31, 48, 113 and 147 of, and paragraphs 56 and 60 of Schedule 2, paragraph 12 of Schedule 7 and Part 12 of Schedule 14 to, the Welfare Reform Act 2012, of which only those made by section 113 are in force. Section 9 was amended by section 14 of, and Part 3 of Schedule 2 to, the State Pension Credit Act 2002; section 28 of, and paragraph 23 of Schedule 3 to, the Welfare Reform Act 2007; sections 9, 24 and 58 of, and Part 1 of Schedule 7 to, the Welfare Reform Act 2009, none of which are in force; sections 31, 113 and 147 of, and paragraphs 56 and 61 of Schedule 2 and Part 1 of Schedule 14 to, the Welfare Reform Act 2012, of which only those made by section 113 are in force.

- (a) in respect of which that person satisfies the conditions for entitlement to an income-related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act 2007⁽¹⁾ (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 that person or would be payable to that person but for section 18 of that Act.

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

(6) In these Regulations, 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⁽²⁾ (small amounts of state pension credit).

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

3. In these Regulations a person is—

- (a) a “pensioner” (“*pensiynwr*”) if—
 - (i) that person has attained the qualifying age for state pension credit; and
 - (ii) that person is not, and, if that person has a partner, that person’s 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” (“*person nad yw’n bensiyndwr*”) if—
 - (i) that person has not attained the qualifying age for state pension credit; or
 - (ii) that person has attained the qualifying age for state pension credit and that person, or if that person has a partner, that person’s partner, is—

(1) 2007 c.5.

(2) S.I. 2002/1792.

- (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.

Meaning of “couple”

4. In these Regulations “couple” (“*cwpl*”) means—

- (a) two people who are either married to, or civil partners of, each other and who are members of the same household;
- (b) two people who are living together as if they are a married couple.

Polygamous marriages

5.—(1) This regulation applies to any case where—

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

(2) For the purposes of regulation 4 neither party to the marriage is to be taken to be a member of a couple.

Meaning of “family”

6.—(1) In these Regulations “family” (“*teulu*”) 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 paragraph (1)(b) and (c) include a child or young person in respect of whom section 145A of the SSCBA⁽¹⁾ applies for the purposes of entitlement to child benefit, but only for the period prescribed under section 145A(1).

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

(1) Section 145A was inserted by the Tax Credits Act 2002 (c.21), section 55(1).

- (a) on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit; or
- (b) a person to whom section 6 of the Children (Leaving Care) Act 2000⁽¹⁾ (exclusion from benefits) applies.

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

7.—(1) A person is to be treated as responsible for a child or young person who is normally living with that person, including a child or young person to whom regulation 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 the child or young person is living in, the child or young person must be treated for the purposes of paragraph (1) as normally living with—

- (a) the person who is receiving child benefit in respect of that child or young person, or
- (b) if there is no such person—
 - (i) where only one claim for child benefit has been made in respect of that child or young person, the person who made that claim, or
 - (ii) in any other case the person who has the primary responsibility for that child or young person.

(3) For the purposes of these Regulations 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.

Households

8.—(1) Subject to paragraphs (2) and (3), an applicant and any partner and, where the applicant or the applicant's partner is treated (by virtue of regulation 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 be treated as a member of the applicant's household where that child or young person is—

⁽¹⁾ 2000 c.35.

- (a) placed with the applicant or the applicant's partner by a local authority under section 22C or 23(2)(a) of the Children Act 1989⁽¹⁾ or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out with the applicant or the applicant's partner under a relevant enactment; or
- (b) placed, or in Scotland boarded out, with the applicant or the applicant's partner prior to adoption; or
- (c) placed for adoption with the applicant or the applicant's partner in accordance with the Adoption and Children Act 2002⁽²⁾ or the Adoption Agencies (Scotland) Regulations 2009⁽³⁾, or the Adoption (Northern Ireland) Order 1987⁽⁴⁾.

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

- (a) is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
- (b) has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or
- (c) has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009, or the Adoption (Northern Ireland) Order 1987.

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

- (a) that child or young person lives with the applicant for part or all of that reduction week; and
- (b) the authority considers that it is reasonable to do so taking into account the nature and frequency of that child's or young person's visits.

(5) In this paragraph "relevant enactment" ("*deddfiad perthnasol*") means—

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- (1) 1989 c.41; section 23 was substituted by sections 22A to 22F by section 8(1) of the Children and Young Persons Act 2008 (c.23). Section 22C is in force in England but only section 22C(11) is in force in Wales. Section 59(1)(a) was amended by section 49 of the Children Act 2004 (c.31) and paragraph 2 of Schedule 1 to the Children and Young Persons Act 2008.
 - (2) 2002 c.38.
 - (3) S.I. 2009/154.
 - (4) S.I. 1987/2203 (N.I. 22).

- (a) the Army Act 1955⁽¹⁾;
- (b) the Air Force Act 1955⁽²⁾;
- (c) the Naval Discipline Act 1957⁽³⁾;
- (d) the Matrimonial Proceedings (Children) Act 1958⁽⁴⁾;
- (e) the Social Work (Scotland) Act 1968⁽⁵⁾;
- (f) the Family Law Reform Act 1969⁽⁶⁾;
- (g) the Children and Young Persons Act 1969⁽⁷⁾;
- (h) the Matrimonial Causes Act 1973⁽⁸⁾;
- (i) the Children Act 1975⁽⁹⁾;
- (j) the Domestic Proceedings and Magistrates' Courts Act 1978⁽¹⁰⁾;
- (k) the Adoption and Children (Scotland) Act 2007⁽¹¹⁾;
- (l) the Family Law Act 1986⁽¹²⁾;
- (m) the Children Act 1989⁽¹³⁾;
- (n) the Children (Scotland) Act 1995⁽¹⁴⁾;
- (o) the Armed Forces Act 2006⁽¹⁵⁾; and
- (p) the Legal Aid, Sentencing and Punishment of Offenders Act 2012⁽¹⁶⁾.

Non-dependants

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

(2) This paragraph applies to—

- (a) any member of the applicant’s family;
- (b) if the applicant is polygamously married, any partner of the applicant and any child or young person who is a member of the applicant’s household and for whom the

(1)	1955 c.18.
(2)	1955 c.19.
(3)	1957 c.53.
(4)	1958 c.40.
(5)	1968 c.49.
(6)	1969 c.46.
(7)	1969 c.54.
(8)	1973 c.18.
(9)	1975 c.72; this Act was repealed in respect of England and Wales by Schedule 15 to the Children Act 1989 (c.41). It continues to have effect in Scotland.
(10)	1978 c.22.
(11)	2007 asp 4.
(12)	1986 c.55.
(13)	1989 c.41.
(14)	1995 c.36.
(15)	2006 c.52.
(16)	2012 c.10.

applicant or one of the applicant's partners is responsible;

- (c) a child or young person who is living with the applicant but who is not a member of the applicant's household by virtue of regulation 8 (households);
- (d) subject to paragraph (3), any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6 or 7 of the 1992 Act⁽¹⁾ (persons liable to pay council council tax);
- (e) subject to paragraph (3), any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
- (f) a person who lives with the applicant in order to care for the applicant or a partner of the applicant, and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or the applicant's partner for the services provided by that person.

(3) Excepting persons to whom paragraph (2)(a) to (c) and (f) refer, a person to whom any of the following sub-paragraphs apply is a non-dependant—

- (a) a person (P) who resides with the person (O) to whom P is liable to make payments in respect of the dwelling and either—
 - (i) O is a close relative of P's or P's 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 council tax reduction 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 that person becoming so liable, a

⁽¹⁾ 1992 c.14; subsections (2) and (8) of section 6 were amended by article 2 of, and paragraph 8 of the Schedule to, S.I. 1997/74.

nondependent 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 council tax reduction scheme.

Remunerative work

10.—(1) Subject to the following provisions of this regulation, a person must be treated for the purposes of these Regulations as engaged in remunerative work if that person is engaged, or, where that person's hours of work fluctuate, that person is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.

(2) Subject to paragraph (3), in determining the number of hours for which a person is engaged in work where that person's hours of work fluctuate, regard must be had to the average of hours worked over—

- (a) if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
- (b) in any other case, the period of 5 weeks immediately prior to the date of application, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately.

(3) Where, for the purposes of paragraph (2)(a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which that person does not work, those periods and any other periods not forming part of such holidays or vacations during which that person is not required to work must be disregarded in establishing the average hours for which that person is engaged in work.

(4) Where no recognisable cycle has been established in respect of a person's work, regard must be had to the number of hours or, where those hours will fluctuate, the average of the hours, which that person is expected to work in a week.

(5) A person must be treated as engaged in remunerative work during any period for which that person is absent from work referred to in paragraph (1) if the absence is either without good cause or by reason of a recognised, customary or other holiday.

(6) A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3

days in any reduction week must be treated as not being in remunerative work in that week.

(7) A person must not be treated as engaged in remunerative work on any day on which that person is on maternity leave, paternity leave or adoption leave, or is absent from work because that person is ill.

(8) A person must not be treated as engaged in remunerative work on any day on which that person is engaged in an activity in respect of which—

- (a) a sports award has been made, or is to be made, to that person; and
- (b) no other payment is made or is expected to be made to that person.

PART 2

Council tax reduction schemes

Schemes

11. An authority in Wales is a specified authority for the purposes of section 13A(4)(a) of the 1992 Act.

Duty to make schemes and exercise of functions by authorities

12.—(1) Each authority in Wales must make a scheme specifying the reductions which are to apply to the amounts of council tax payable by persons to whom the scheme applies in respect of dwellings situated in its area.

(2) The function of making a scheme required by these Regulations is not to be the responsibility of an executive of an authority under executive arrangements.

(3) Section 101 of the Local Government Act 1972⁽¹⁾ (arrangements for discharge of functions by local authorities) does not apply with respect to the discharge of the function mentioned in paragraph (1).

(4) In this regulation, references to “executive” (“*gweithrediaeth*”) and “executive arrangements” (“*trefniadau gweithredol*”) have the same meaning given by Part 2 of the Local Government Act 2000⁽²⁾ or an instrument made under that Part of that Act.

First financial year of schemes

13. Each authority in Wales must make a scheme no later than the 31 January 2014, and the first financial

(1) 1972 c.70.

(2) 2000 c.22.

year to which that scheme relates must be the year beginning 1 April 2014.

Scheme requirements in relation to classes of persons

14. A scheme must—

- (a) state the classes of persons who are to be entitled to a reduction;
- (b) include those classes of persons prescribed in regulations 22 to 25;
- (c) not include those classes of persons prescribed in regulations 28 to 31.

Scheme requirements in relation to reductions

15.—(1) A scheme must set out the reduction to which persons in each class are to be entitled.

(2) The classes of persons prescribed in regulations 22 and 23, are to be entitled under a scheme to the reductions prescribed in Part 3 of Schedule 1 (pensioners).

(3) The classes of persons prescribed in regulations 24 and 25, are to be entitled under a scheme to the reductions prescribed in Part 3 of Schedule 6 (persons who are not pensioners).

Scheme procedural requirements

16. A scheme must state—

- (a) the procedure by which a person may apply for a reduction under a scheme;
- (b) the procedure by which a person may appeal against a decision of an authority with respect to—
 - (i) a person's entitlement to a reduction under a scheme; or
 - (ii) the amount of any reduction to which the person is entitled.
- (c) the procedure by which a person may apply to an authority for a reduction under section 13A(1)(c) of the 1992 Act.

Preparation of a scheme

17.—(1) Before making a scheme an authority must—

- (a) publish a draft scheme in such manner as it thinks fit, and
- (b) consult any persons it considers are likely to have an interest in the operation of its scheme.

(2) Having made a scheme, the authority must publish that scheme in such manner as it thinks fit.

Revisions to and replacement of schemes

18.—(1) For each financial year, an authority must consider whether to revise its scheme or to replace it with another scheme.

(2) An 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.

(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 scheme must include such transitional provision relating to that reduction or removal as the authority thinks fit.

(4) Regulation 17 applies to an authority when revising a scheme as it applies to an authority when making a scheme.

(5) References in this Part to a scheme include a replacement scheme.

Notice requiring provision of information to the Welsh Ministers

19.—(1) The Welsh Ministers may serve a notice on an authority in Wales requiring it to supply to them such information as is specified in the notice and required by them for the purpose of exercising, or deciding whether to exercise, any function relating to schemes.

(2) The authority must supply the information required if it is in its possession or control, and must do so in such form and manner and at such time as specified in the notice.

(3) If an authority fails to comply with paragraph (2), the Welsh Ministers may exercise the function on the basis of such assumptions and estimates as they think fit.

(4) In exercising, or deciding whether to exercise, any function relating to schemes, the Welsh Ministers may also take into account any other available information, whatever its source and whether or not obtained under a provision contained in or made under these Regulations or any Act.

Supply of documents

20. Subject to regulation 19, an authority may make a reasonable charge for the supply of copies of documents relating to its scheme.

PART 3

Prescribed classes of person who must be included in an authority's scheme

Classes of person who must be included in a scheme

21. The classes of persons described in regulations 22 to 25 are classes of person prescribed for the purposes of paragraph 3(1)(a) of Schedule 1B to the 1992 Act⁽¹⁾ and who must be included in and entitled to a reduction under an authority's scheme.

Class A: pensioners whose income is less than the applicable amount

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

- (a) who is for that day liable to pay council tax in respect of a dwelling of which that person is a resident;
- (b) who, subject to regulation 26 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person prescribed in regulations 28 to 31 and excluded from entitlement under a scheme;
- (e) whose income (if any) for the relevant week does not exceed that person's applicable amount calculated in accordance with paragraph 1 of Part 1 of Schedule 1 and Schedule 2 (applicable amounts : pensioners); and
- (f) who has made an application for a reduction under an authority's scheme.

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

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

- (a) who is for that day liable to pay council tax in respect of a dwelling of which that person is a resident;
- (b) who, subject to regulation 26 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;

(1) Schedule 1B was inserted by section 9 of and Schedule 4 to the Local Government Finance Act 2012 (c.17).

- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person prescribed in regulations 28 to 31 and excluded from entitlement under a scheme;
- (e) whose income for the relevant week is greater than that person's applicable amount calculated in accordance with paragraph 1 of Part 1 of Schedule 1 and Schedule 2 (applicable amounts : pensioners);
- (f) in respect of whom amount A exceeds amount B where—
 - (i) amount A is the maximum council tax reduction in respect of the day in that person's case; and
 - (ii) amount B is $2\frac{6}{7}$ per cent of the difference between that person's income for the relevant week and that person's applicable amount; and
- (g) who has made an application for a reduction under an authority's scheme.

Class C: persons who are not pensioners whose income is less than the applicable amount

24. On any day class C consists of any person who is not a pensioner—

- (a) who is for that day liable to pay council tax in respect of a dwelling of which that person is a resident;
- (b) who, subject to regulation 26 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person prescribed in regulations 28 to 31 and excluded from entitlement under a scheme;
- (e) whose income (if any) for the relevant week is less than that person's applicable amount calculated in accordance with paragraph 1 of Part 1 of Schedule 6 and Schedule 7 (applicable amounts: persons who are not pensioners); and
- (f) who has made an application for a reduction under an authority's scheme.

Class D: persons who are not pensioners whose income is greater than the applicable amount

25. On any day class D consists of any person who is not a pensioner—

- (a) who is for that day liable to pay council tax in respect of a dwelling of which that person is a resident;
- (b) who, subject to regulation 26 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person prescribed in regulations 28 to 31 and excluded from entitlement under a scheme;
- (e) whose income for the relevant week is greater than that person's applicable amount calculated in accordance with paragraph 1 of Part 1 of Schedule 6 and Schedule 7 (applicable amounts: persons who are not pensioners);
- (f) in respect of whom amount A exceeds amount B where—
 - (i) amount A is the maximum council tax reduction in respect of the day in that person's case; and
 - (ii) amount B is $2\frac{6}{7}$ per cent of the difference between that person's income for the relevant week and that person's applicable amount; and
- (g) who has made an application for a reduction under an authority's scheme.

Periods of absence from a dwelling

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

(2) In paragraph (1), a "period of temporary absence" ("*cyfnod o absenoldeb dros dro*") 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) that person resides in that accommodation;
 - (ii) the part of the dwelling in which that person usually resides 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 that person has entered the accommodation for the purpose of ascertaining whether it suits the person's needs and with the intention of returning to the dwelling if it proves not to suit the person's needs;

- (b) a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as—
 - (i) the person intends to return to the dwelling;
 - (ii) the part of the dwelling in which that person usually resides 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 the person usually resides is not let or sub-let;
 - (iii) the person is a person to whom paragraph (3) applies; and
 - (iv) the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.
- (3) This 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 paragraph (1), or
 - (ii) in premises approved under section 13 of the Offender Management Act 2007⁽¹⁾,
 or is detained in custody pending sentence upon conviction;
 - (b) is resident in a hospital or similar institution as a patient;
 - (c) is undergoing, or whose partner or dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
 - (d) is following, in the United Kingdom or elsewhere, a training course;
 - (e) is undertaking medically approved care of a person residing in the United Kingdom or elsewhere;
 - (f) is undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent

(1) 2007 c.21.

- or guardian for the purpose of receiving medically approved care or medical treatment;
- (g) is in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;
 - (h) is a student;
 - (i) is receiving care provided in residential accommodation and is not a person to whom paragraph (2)(a) applies; or
 - (j) has left the dwelling the person resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of that person.
- (4) This 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⁽¹⁾, or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003⁽²⁾ or the Criminal Procedure (Scotland) Act 1995⁽³⁾ or in Northern Ireland under article 4 or 12 of the Mental Health (Northern Ireland) Order 1986⁽⁴⁾); and
 - (b) on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952⁽⁵⁾ or the Prisons (Scotland) Act 1989⁽⁶⁾.
- (5) Where paragraph (4) applies to a person, then, for any day when that person is on temporary release—
- (a) if such temporary release was immediately preceded by a period of temporary absence under paragraph (2)(b) or (c), that person is to be treated, for the purposes of paragraph (1), as if that person continues to be absent from the dwelling, despite any return to the dwelling;
 - (b) for the purposes of paragraph (3)(a), that person is to be treated as if that person remains in detention;
 - (c) if that person does not fall within subparagraph (a), that person is not to be considered to be a person who is liable to pay

(1) 1983 c.20.
(2) 2003 asp 13.
(3) 1995 c.46.
(4) S.I. 1986/595 (N.I. 4).
(5) 1952 c.52.
(6) 1989 c.45.

council tax in respect of a dwelling of which that person is a resident.

(6) In this regulation—

“medically approved” (“*a gymeradwywyd yn feddygol*”) means certified by a medical practitioner;

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

“residential accommodation” (“*llety preswyl*”) 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” (“*cwrs hyfforddi*”) 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, the Welsh Ministers or the Secretary of State.

PART 4

Prescribed classes of person who must not be included in an authority’s scheme

Classes of person who must not be included in a scheme

27. The classes of persons described in regulations 28 to 31 are classes of person prescribed for the purposes of paragraph 3(1)(b) of Schedule 1B of the 1992 Act⁽¹⁾ and who must not be included in nor entitled to a reduction under an authority’s scheme.

Persons treated as not being in Great Britain

28.—(1) The class of person described in this regulation consists of any person treated as not being in Great Britain.

(2) Except where a person falls within paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the

(1) Schedule 1B was inserted by section 9 of the Local Government Finance Act 2012 (c.17).

United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.

(3) A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the person has a right to reside in one of those places.

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

- (a) regulation 13 of the EEA Regulations or Article 6 of Council Directive No. 2004/38/EC⁽¹⁾;
- (b) 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(1) of those Regulations, or
 - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
- (c) Article 45 of the Treaty on the Functioning of the European Union (in a case where the person is seeking work in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland); or
- (d) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (4A) of that regulation or Article 20 of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen)⁽²⁾.

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

- (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
- (b) a family member of a person referred to in sub-paragraph (a) within the meaning of regulation 7(1)(a), (b) or (c) of the EEA Regulations;
- (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;

⁽¹⁾ OJ No L 158, 30.4.04, p.77.

⁽²⁾ A consolidated version of this Treaty was published in the Official Journal on 30.3.2010 C 83.

- (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 adopted at Geneva on 28 July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees adopted at New York on 31 January 1967;
- (e) a person granted limited leave to enter or remain in the United Kingdom outside the provisions of the rules made under section 3(2) of the Immigration Act 1971⁽¹⁾ on the rejection of their claim for asylum;
- (f) a person who has humanitarian protection granted under those rules;
- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999⁽²⁾ and who is in the United Kingdom as a result of the person's deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
- (h) a person in Great Britain who left the territory of Montserrat after 1 November 1995 because of the effect on that territory of a volcanic eruption;
- (i) a person who—
 - (i) arrived in Great Britain on or after the 28 February 2009 but before 18 March 2011;
 - (ii) immediately before arriving there had been resident in Zimbabwe; and
 - (iii) before leaving Zimbabwe had accepted an offer, made by Her Majesty's Government, to assist that person to move to and settle in the United Kingdom; or
- (j) a person who is in receipt of income support, an income-based jobseeker's allowance or on an income-related employment and support allowance.

(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 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.

(1) 1971 c.77.
 (2) 1999 c.33.

(8) In this regulation—

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

“EEA Regulations” (“*Rheoliadau AEE*”) means the Immigration (European Economic Area) Regulations 2006⁽²⁾.

Persons subject to immigration control

29.—(1) Subject to paragraph (2), the class of person described in this regulation consists of any person who is subject to immigration control.

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

(3) “Person subject to immigration control” (“*person sy’n ddarostyngedig i reolaeth fewnfudo*”) has the meaning given in section 115(9) of the Immigration and Asylum Act 1999.

Persons whose capital exceeds £16,000

30.—(1) The class of person described in this regulation consists of any person whose capital exceeds £16,000.

(2) Capital for the purposes of paragraph (1) is to be calculated in accordance with Schedule 1 (pensioners) or Schedule 6 (persons who are not pensioners).

Students

31.—(1) The class of person described in this regulation consists of any person who is a student.

(2) In this regulation “student” (“*myfyriwr*”) has the meaning given by paragraph 1 of Part 1 of Schedule 11.

(3) Schedule 11, which contains matters that must be included in a scheme in respect of students has effect.

(1) Relevant amendments to section 94(1) have been made by section 44 of the Nationality, Immigration and Asylum Act 2002 (c.41) but those provisions are not in force. Other amendments have been made but they are not relevant to these Regulations.

(2) S.I. 2006/1003; relevant amending instruments are S.I. 2011/544, 2012/1547, 2012/2560.

PART 5

Other matters that must be included in an authority's scheme

Provision for pensioners

32.—(1) A scheme must make provision in respect of the classes of persons referred to in regulations 22 and 23 (classes A and B).

(2) Schedules 1 to 5, which contain matters that must be included in a scheme in respect of those classes of person, have effect.

(3) For the purposes of this regulation, the provisions in paragraph 33 of Schedule 1 (duration of extended reduction period) are minimum requirements.

Provision for persons who are not pensioners

33.—(1) A scheme must make provision in respect of the classes of persons referred to in regulations 24 and 25 (classes C and D).

(2) Schedules 6 to 10, which contain matters that must be included in a scheme in respect of those classes of person, have effect.

(3) For the purposes of this regulation, the provisions in paragraphs 35 (duration of extended reduction period) and 40 (duration of extended reduction period (qualifying contributory benefits)) of Schedule 6 are minimum requirements.

Provision for pensioners and persons who are not pensioners

34.—(1) A scheme must include the provisions set out within Schedules 12 to 14.

(2) The provisions mentioned in paragraph (1) must apply to all applications for a council tax reduction unless otherwise provided.

(3) Schedules 12 to 14, which contain matters that must be included in a scheme in respect of all applicants for a council tax reduction, unless otherwise provided, have effect.

(4) For the purposes of this regulation, the provisions in paragraphs 3 and 4 of Schedule 13 (backdating) are minimum requirements.

(5) For the purposes of this regulation, the amount to be disregarded in accordance with paragraph 1(a) and (b) of Schedule 4 (amounts to be disregarded for war disablement pension, war widow's pension and war widower's pension: pensioners) and paragraph 20(a) and (b) of Schedule 9 (amounts to be disregarded for war disablement pension, war widow's pension and war widower's pension; persons who are not pensioners) is a minimum amount.

PART 6

Revocation, transitional and savings provisions

Interpretation

35. In this Part of the Regulations—

“2012 Regulations” (“*Rheoliadau 2012*”) means the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012(1);

“2013 scheme” (“*cynllun 2013*”) means a scheme made by a billing authority in accordance with the 2012 Regulations or which applies in default on 1 April 2013 in accordance with paragraph 6(1)(e) of Schedule 1B to the Local Government Finance Act 1992;

“relevant authority” (“*awdurdod perthnasol*”) means an authority administering a 2013 scheme or a scheme;

“scheme” (“*cynllun*”) means a scheme made by a billing authority in accordance with these Regulations or which applies in default on 1 April 2014 in accordance with paragraph 6(1)(e) of Schedule 1B to the Local Government Finance Act 1992.

Revocation and savings

36.—(1) Subject to paragraph (2) the 2012 Regulations are revoked on 1 April 2014.

(2) The 2012 Regulations continue to apply to any applications made and any reductions awarded in accordance with the provisions of a 2013 scheme.

Persons to be treated as having made an application for a reduction

37.—(1) A person who falls within one of the categories of person described in paragraph (2) is to be treated as having made an application for a reduction under a scheme on 15 February 2014.

(2) A person referred to in paragraph (1) is a person who—

- (a) is in receipt of a reduction under a 2013 scheme on 15 February 2014;
- (b) has made an application for a reduction under a 2013 scheme which is not determined immediately before 15 February 2014;
- (c) has served a written notice upon a relevant authority regarding a decision of the authority

(1) S.I. 2012/3144 (W.316) as amended by S.I. 2013/112 (W.17).

in relation to a claim for a reduction under a 2013 scheme, and whose decision in respect of the written notice is pending immediately before 15 February 2014;

- (d) has appealed to the Valuation Tribunal for Wales against a decision of a relevant authority in relation to a claim for a reduction under a 2013 scheme, and whose appeal or decision in respect of the appeal is pending immediately before 15 February 2014;
- (e) has appealed against the decision of the Valuation Tribunal for Wales in relation to claim for a reduction under a 2013 scheme, and whose appeal is pending immediately before 15 February 2014.

(3) For the purposes of paragraph (2)(e) an appeal against a decision relating to a claim for a reduction under a 2013 scheme is pending if—

- (a) an appeal against the decision has been brought but not determined; or
- (b) an application for permission to appeal against the decision has been made but not determined.

Applications received between 15 February 2014 and 31 March 2014

38. A person who makes a claim for a reduction under a 2013 scheme on any day during the period beginning on 15 February 2014 and ending on 31 March 2014 is to be treated as having made an application for a reduction under a scheme on the same day.

Date on which change of circumstances is to take effect

39.—(1) Where a person (P) by virtue of regulation 37(1) or 38 is treated as having made an application for a reduction under a scheme and—

- (a) on 15 February 2014 P is, or on any day during the period beginning on 15 February 2014 and ending on 31 March 2014 becomes, a person to whom the relevant provisions apply; and
- (b) the effective date for the change of circumstances in accordance with the relevant provisions is a date after 31 March 2014,

the application is to be determined as though the change of circumstances has not taken place, but is to be re-determined upon the effective date to take account of the change of circumstances.

(2) In paragraph (1) “relevant provisions” (*“darpariaethau perthnasol”*) means—

- (a) a provision contained within a 2013 scheme by virtue of regulation 30(2) of, and paragraph 40(10) to (12) of Schedule 1 to, the 2012 Regulations (date on which change of circumstances is to take effect: pensioners);
- (b) a provision contained within a 2013 scheme by virtue of regulation 31(2) of, and paragraph 46(10) to (12) of Schedule 6 to, the 2012 Regulations (date on which change of circumstances is to take effect: persons who are not pensioners); or
- (c) paragraph 105(10) to (12) of the scheme prescribed in the Schedule to the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012⁽¹⁾ (date on which change of circumstances is to take effect).

Notification relating to change of circumstances

40. Where by virtue of regulation 37(1) or 38 a person is treated as having made an application under a scheme, the following provisions in a relevant authority’s scheme do not apply in relation to that person’s application—

- (a) a provision contained in a scheme by virtue of regulation 33(3) of, and paragraph 1(7) of Schedule 13 to these Regulations (who may make an application); or
- (b) paragraph 107(7) of the scheme prescribed in the Schedule to the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013 (who may make an application).

Lesley Griffiths

Minister for Local Government and Government
Business, one of the Welsh Ministers

Date

⁽¹⁾ S.I. 2012/3145 (W.317) as amended by S.I. 2013/112 (W.17).

SCHEDULE 1 Regulation 32(2)

Determining eligibility for a reduction under an authority's scheme, amount of reduction and calculation of income and capital: pensioners

PART 1

Applicable amounts for the purposes of calculating eligibility for a reduction under an authority's scheme and amount of reduction: pensioners

Applicable amounts: pensioners (including pensioners in polygamous marriages)

1.—(1) The applicable amount for a pensioner for a week is the aggregate of such of the following amounts as apply in that person's case—

- (a) an amount in respect of the person's personal allowance or if that person is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 of Schedule 2 (personal allowance);
- (b) an amount in respect of any child or young person who is a member of the person's family, determined in accordance with paragraph 2 of that Schedule (child or young person amounts);
- (c) if the person is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of that Schedule (family premium);
- (d) the amount of any premiums which may be applicable to the person, determined in accordance with Parts 3 and 4 of that Schedule (premiums).

(2) In Schedule 2—

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

“patient” (“*claf*”) 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⁽¹⁾.

PART 2

Maximum council tax reduction for the purposes of calculating eligibility for a reduction under an authority's scheme and amount of reduction: pensioners

Maximum council tax reduction under an authority's scheme: pensioners

2.—(1) Subject to sub-paragraphs (2) to (4), the amount of 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 the person is a resident and for which the person is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and

(b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under paragraph 3 (non-dependant deductions: pensioners).

(2) In calculating a person's maximum council tax reduction under an authority's scheme any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act (other than a reduction under an authority's scheme), is to be taken into account.

(3) Subject to sub-paragraph (4), where an applicant is jointly and severally liable for council tax in respect of a dwelling in which the applicant is resident with one or more other persons, in determining the maximum council tax reduction in the applicant's case in accordance with sub-paragraph (1), the amount A is to be divided by the number of persons who are jointly and severally liable for that tax.

(4) Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only a partner, sub-paragraph (3) does not apply in that applicant's 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 3 of Schedule 11 (students who are excluded

(1) S.I. 2005/3360.

from entitlement to a reduction under an authority's scheme) applies.

(6) In this paragraph "relevant financial year" (*"blwyddyn ariannol berthnasol"*) means, in relation to any particular day, the financial year within which the day in question falls.

Non-dependant deductions: pensioners

3.—(1) Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in paragraph 2 are—

- (a) in respect of a non-dependant aged 18 or over in remunerative work, $\pounds 10.95 \times 1/7$;
- (b) in respect of a non-dependant aged 18 or over to whom paragraph (a) does not apply, $\pounds 3.65 \times 1/7$.

(2) In the case of a non-dependant aged 18 or over to whom sub-paragraph (1)(a) applies, where it is shown to the authority that that non-dependant's normal gross weekly income is—

- (a) less than $\pounds 186.00$, the deduction to be made under this paragraph is that specified in sub-paragraph (1)(b);
- (b) not less than $\pounds 186.00$ but less than $\pounds 322.00$, the deduction to be made under this paragraph is $\pounds 7.25 \times 1/7$;
- (c) not less than $\pounds 322.00$ but less than $\pounds 401.00$, the deduction to be made under this paragraph is $\pounds 9.15 \times 1/7$.

(3) Only one deduction is to be made under this paragraph in respect of a couple or, as the case may be, members of a polygamous marriage 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.

(4) In applying the provisions of sub-paragraph (2) in the case of a couple or, as the case may be, a polygamous marriage, regard must be had, for the purpose of that sub-paragraph, to the couple's or, as the case may be, all members of the polygamous marriage's joint weekly gross income.

(5) Where in respect of a day—

- (a) a person is a resident in a dwelling but that person is not liable for council tax in respect of that dwelling and that day;
- (b) other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9

of the 1992 Act (liability of spouses and civil partners); and

- (c) the person to whom paragraph (a) refers is a non-dependant of two or more of the liable persons,

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

(6) No deduction is to be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or the applicant's partner is—

- (a) blind or treated as blind by virtue of paragraph 20 of Schedule 1 (additional condition for the disability premium); or
- (b) receiving in respect of the applicant—
 - (i) attendance allowance or would be receiving that allowance but for—
 - (aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (bb) an abatement as a result of hospitalisation; or
 - (ii) the care component of the disability living allowance, or would be receiving that component but for—
 - (aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (bb) an abatement as a result of hospitalisation; or
 - (iii) the daily living component of personal independence payment or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012⁽¹⁾ (hospital in-patients); or
 - (iv) an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution.

(7) No deduction is to be made in respect of a non-dependant if—

- (a) although that non-dependant resides with the applicant, it appears to the authority that that non-dependant's normal home is elsewhere; or

(1) 2012 c.5.

- (b) the non-dependant is in receipt of a training allowance paid in connection with youth training established under section 2 of the Employment and Training Act 1973⁽¹⁾ or section 2 of the Enterprise and New Towns (Scotland) Act 1990⁽²⁾; or
 - (c) the non-dependant is a full-time student within the meaning of Schedule 11 (Students); or
 - (d) the non-dependant is not residing with the applicant because the non-dependant has been a patient for a period in excess of 52 weeks, and for these purposes—
 - (i) “patient” (“*claf*”) has the meaning given in regulation 24(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, that person is to be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods.
- (8) No deduction is to be made in respect of a non-dependant—
- (a) who is on income support, state pension credit, an income-based jobseeker’s allowance or an income related employment and support allowance; or
 - (b) to whom Schedule 1 to the 1992 Act applies (persons disregarded for purposes of discount); but this paragraph does not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers.
- (9) In the application of sub-paragraph (2) there is to be disregarded from the non-dependant’s weekly gross income any attendance allowance, disability living allowance, personal independence payment or AFIP received by the non-dependant.

(1) 1973 c.50; section 2 was substituted by section 25 of the Employment Act 1988 (c.19) and subsequently amended by section 29 of, and Part 1 of Schedule 7 to, the Employment Act 1989 (c.38) and, in relation to Scotland only, section 47 of the Trade Union Reform and Employment Rights Act 1993 (c.19).

(2) 1990 c.35; section 2 was amended by section 47 of the Trade Union Reform and Employment Rights Act 1993 (c.19); article 4 of, and paragraph 100 of Schedule 2 to, S.I. 1999/1820; and paragraph 20 of Schedule 26 to the Equality Act 2010 (c.15).

PART 3

Amount of reduction under an authority's scheme: pensioners

Amount of reduction under an authority's scheme: Classes A and B

4.—(1) Where a pensioner is entitled to a reduction under an authority's scheme in respect of a day, the amount of the reduction to which that pensioner is to be entitled is as follows.

(2) Where the person is within class A, that amount is the amount which is the maximum council tax reduction in respect of the day in the person's case.

(3) Where the person is within class B, that amount is the amount found by deducting amount B from amount A, where "amount A" and "amount B" have the meanings given in regulation 23.

PART 4

Income and capital for the purposes of calculating eligibility for a reduction under an authority's scheme and amount of reduction: pensioners

CHAPTER 1

General: pensioners

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

5.—(1) The income and capital of—

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

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

(2) The income and capital of any partner of the applicant is to be treated as income and capital of the applicant, and in this Part any reference to the applicant applies equally to any partner of that applicant.

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

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

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

6.—(1) Sub-paragraph (2) applies where it appears to the authority that a non-dependant and an applicant have entered into arrangements in order to take advantage of an authority's scheme and the non-dependant has more income and capital than the applicant.

(2) Except where—

- (a) the applicant is a pensioner and is on a guarantee credit, or
- (b) the applicant is not a pensioner and 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 capital and income which the applicant does possess is to be disregarded.

(3) Where an applicant is treated as possessing capital and income belonging to a non-dependant under sub-paragraph (2) the capital and income 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" (*"ceisydd"*) is to be construed for the purposes of this Part as if it were a reference to that non-dependant.

CHAPTER 2

Income: pensioners in receipt of guarantee credit or
savings credit: pensioners

Pensioners in receipt of guarantee credit

7. In the case of an applicant who is a pensioner and who is in receipt, or whose partner is in receipt, of a guarantee credit, the whole of the applicant's capital and income must be disregarded.

Calculation of pensioner's income in savings credit only cases

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

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

- (a) the amount of any savings credit payable;
- (b) in respect of any dependent children of the applicant, child care charges taken into account under paragraph 18 (calculation of income on a weekly basis);
- (c) the higher amount disregarded under an authority's scheme in respect of—
 - (i) lone parent's earnings; or
 - (ii) payments of maintenance, whether under a court order or not, which is made or due to be made by—
 - (aa) the applicant's former partner, or the applicant's partner's former partner; or
 - (bb) the parent of a child or young person where that child or young person is a member of the applicant's family except where that parent is the applicant or the applicant's partner;
- (d) any amount to be disregarded by virtue of paragraph 10(1) of Schedule 3 (sums disregarded from applicant's earnings);
- (e) the income and capital of any partner of the applicant who is treated as a member of the applicant's household under regulation 8, to the extent that it is not taken into account in determining the net income of the person claiming state pension credit;
- (f) paragraph 6 (circumstances in which capital and income of a non-dependant is to be treated as applicant's), if the authority determines that that provision applies in the applicant's case;
- (g) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act⁽¹⁾;
- (h) any amount to be disregarded by virtue of paragraph 6 of Schedule 3 (sums to be disregarded from applicant's income: pensioners).

(3) Paragraphs 10 to 30 of this Schedule do not apply to the amount of the net income to be taken into account under sub-paragraph (1), but do apply (so far

(1) Section 13A was substituted by section 10 of the Local Government Finance Act 2012 (c.17).

as relevant) for the purpose of determining any adjustments to that amount which the authority makes under sub-paragraph (2).

(4) If sub-paragraph (5) applies, the authority must calculate the applicant's capital in accordance with paragraphs 25 to 30 (calculation of capital: pensioners).

(5) This sub-paragraph applies if—

- (a) the Secretary of State notifies the authority that the applicant's capital has been determined as being £16,000 or less or the authority determines the applicant's capital as being £16,000 or less;
- (b) subsequent to that determination the applicant's capital rises to more than £16,000; and
- (c) the increase occurs whilst there is in force an assessed income period within the meaning of sections 6 and 9 of the State Pension Credit Act 2002⁽¹⁾.

CHAPTER 3

Income: other pensioners

Calculation of income and capital where state pension credit is not payable: pensioners

9. Where neither paragraph 7 (pensioner in receipt of guarantee credit) nor 8 (calculation of pensioner's income in savings credit only cases) applies in the applicant's case, the applicant's income and capital is to be calculated or estimated in accordance with paragraphs 10 to 19 and 21 to 24 (calculation of income) and paragraphs 25 to 31 (calculation of capital).

Meaning of "income": pensioners

10.—(1) For the purposes of classes A and B "income" ("*incwm*") means income of any of the following descriptions—

- (a) earnings;
- (b) working tax credit;
- (c) retirement pension income within the meaning of the State Pension Credit Act 2002⁽²⁾;
- (d) income from annuity contracts (other than retirement pension income);
- (e) a war disablement pension or war widow's or widower's pension;

(1) 2002 c.16.

(2) See section 16 of the State Pension Credit Act 2002 (c.16).

- (f) a foreign war disablement pension or war widow's or widower's pension;
- (g) a guaranteed income payment;
- (h) a payment made under article 29(1)(c) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011⁽¹⁾, in any case where article 31(2)(c) applies;
- (i) income from capital other than capital disregarded under Part 1 of Schedule 5;
- (j) social security benefits, other than retirement pension income or any of the following benefits—
 - (i) disability living allowance;
 - (ii) personal independence payment;
 - (iii) an AFIP;
 - (iv) attendance allowance payable under section 64 of the SSCBA (entitlement to attendance allowance);
 - (v) an increase of disablement pension under section 104 (increase for constant attendance) or 105 (increase for exceptionally severe disablement) of the SSCBA;
 - (vi) child benefit;
 - (vii) any guardian's allowance payable under section 77 of the SSCBA (guardian's allowance);
 - (viii) any increase for a dependant, other than the applicant's partner, payable in accordance with Part 4 of the SSCBA (increases for dependants);
 - (ix) any—
 - (aa) social fund payment made under Part 8 of the SSCBA (the social fund); or
 - (bb) occasional assistance;
 - (x) Christmas bonus payable under Part 10 of the SSCBA (Christmas bonus for pensioners);
 - (xi) housing benefit;
 - (xii) council tax benefit;
 - (xiii) bereavement payment;
 - (xiv) statutory sick pay;
 - (xv) statutory maternity pay;

⁽¹⁾ S.I. 2011/517.

- (xvi) ordinary statutory paternity pay payable under Part 12ZA of the SSCBA (statutory paternity pay)(1);
- (xvii) additional statutory paternity pay payable under Part 12ZA of the SSCBA;
- (xviii) statutory adoption pay payable under Part 12ZB of the SSCBA (statutory adoption pay);
- (xix) any benefit similar to those mentioned in the preceding provisions of this paragraph payable under legislation having effect in Northern Ireland;
- (k) all foreign social security benefits which are similar to the social security benefits prescribed above;
- (l) a payment made—
 - (i) under article 30 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006(2), in any case where article 30(1)(b) applies; or
 - (ii) under article 12(8) of that Order, in any case where sub-paragraph (b) of article 12(8) applies;
- (m) a 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;
- (n) payments under a scheme made under the Pneumoconiosis etc (Workers' Compensation) Act 1979(3);
- (o) payments made towards the maintenance of the applicant by the applicant's spouse, civil partner, former spouse or former civil partner or towards the maintenance of the applicant's partner by that person's spouse, civil partner, former spouse or former civil partner, including payments made—
 - (i) under a court order;
 - (ii) under an agreement for maintenance; or
 - (iii) voluntarily;
- (p) payments due from any person in respect of board and lodging accommodation provided by the applicant;

(1) Part 12ZA was inserted by section 2 and Part 12ZB was inserted by section 4 of the Employment Act 2002 (c.22).
 (2) S.I. 2006/606.
 (3) 1979 c.41.

- (q) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;
- (r) any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982⁽¹⁾; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982;
- (s) any payment, other than a payment ordered by a court or made in settlement of a claim, made by or on behalf of a former employer of a person on account of the early retirement of that person on grounds of ill-health or disability;
- (t) any sum payable by way of pension out of money provided under—
 - (i) the Civil List Act 1837⁽²⁾,
 - (ii) the Civil List Act 1937⁽³⁾,
 - (iii) the Civil List Act 1952⁽⁴⁾,
 - (iv) the Civil List Act 1972⁽⁵⁾, or
 - (v) the Civil List Act 1975⁽⁶⁾;
- (u) any income in lieu of that specified in paragraphs (a) to (r);
- (v) any payment of rent made to an applicant who—
 - (i) owns the freehold or leasehold interest in any property or is a tenant of any property;
 - (ii) occupies part of the property; and
 - (iii) has an agreement with another person allowing that person to occupy that property on payment of rent;
- (w) any payment made at regular intervals under an equity release scheme;
- (x) PPF periodic payments within the meaning of section 17(1) of the State Pension Credit Act 2002.

(2) Where the payment of any social security benefit referred to in sub-paragraph (1) is subject to any deduction (other than an adjustment specified in sub-

(1) The Public Lending Right Scheme is appended to S.I. 1982/719; it was substituted by Appendix 2 to S.I. 1990/2360. Amendments have since been made to it but they are not relevant to these Regulations.

(2) 1837 c.2

(3) 1937 c.32

(4) 1952 c.37.

(5) 1972 c.7.

(6) 1975 c.82.

paragraph (4)) the amount to be taken into account under sub-paragraph (1) is to be the amount before the deduction is made.

(3) Where an award of any working tax credit or child tax credit is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under sub-paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

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

- (a) the Social Security (Overlapping Benefits) Regulations 1979⁽¹⁾;
- (b) the Social Security (Hospital In-Patients) Regulations 2005⁽²⁾;
- (c) section 30DD or section 30E of the SSCBA⁽³⁾ (reductions in incapacity benefit in respect of pensions and councillor's allowances);
- (d) section 3 of the Welfare Reform Act 2007 (deductions from contributory employment and support allowance in respect of pensions and councillor's allowances) and regulations made under it.

(5) In sub-paragraph (1)(w), “equity release scheme” (“*cynllun rhyddau ecwiti*”) means a loan—

- (a) made between a person (“the lender”) and the applicant;
- (b) by means of which a sum of money is advanced by the lender to the applicant by way of payments at regular intervals; and
- (c) which is secured on a dwelling in which the applicant owns an estate or interest and which the applicant occupies as the applicant's home.

Calculation of weekly income: pensioners

11.—(1) Except in a case where sub-paragraph (2) or (4) apply, for the purposes of calculating the weekly income of an applicant who is a pensioner, where the period in respect of which a payment is made—

(1) S.I. 1979/597.
(2) S.I. 2005/3360.
(3) 1992 c.4; section 30DD was inserted by section 63 of the Welfare Reform and Pensions Act 1999 (c.30). Section 30E was inserted by section 3 of the Social Security (Incapacity for Work) Act 1994 (c.18). Both sections are repealed by Schedule 8 to the Welfare Reform Act 2007 (c.5) (not yet in force).

- (a) does not exceed a week, the whole of that payment is to be included in the applicant's weekly income;
 - (b) exceeds a week, the amount to be included in the applicant's weekly income is to be determined—
 - (i) in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
 - (ii) in a case where that period is three months, by multiplying the amount of the payment by 4 and dividing the product by 52;
 - (iii) in a case where that period is a year, by dividing the amount of the payment by 52;
 - (iv) in any other case, by multiplying the amount of the payment by 7 and dividing the product by the number of days in the period in respect of which it is made.
- (2) Sub-paragraph (3) applies where—
- (a) the applicant's regular pattern of work is such that the applicant does not work the same hours every week; or
 - (b) the amount of the applicant's income fluctuates and has changed more than once.
- (3) The weekly amount of that applicant's income is to be determined—
- (a) if, in a case to which sub-paragraph (2)(a) applies, there is a recognised cycle of work, by reference to the applicant's average weekly income over the period of the complete cycle (including, where the cycle involves periods in which the applicant does no work, those periods but disregarding any other absences); or
 - (b) in any other case, on the basis of—
 - (i) the last two payments if those payments are one month or more apart;
 - (ii) the last four payments if the last two payments are less than one month apart; or
 - (iii) calculating or estimating such other payments as may, in the particular circumstances of the case, enable the applicant's average weekly income to be determined more accurately.
- (4) For the purposes of sub-paragraph (3)(b) the last payments are the last payments before the date the application was made or treated as made.
- (5) If the applicant is entitled to receive a payment to which sub-paragraph (6) applies, the amount of that

payment is to be treated as if made in respect of a period of a year.

(6) This sub-paragraph applies to—

- (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;
- (b) any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982; and
- (c) any payment which is made on an occasional basis.

(7) The period under which any benefit under the benefit Acts is to be taken into account is to be the period in respect of which that benefit is payable.

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

(9) The sums specified in Schedule 3 are to be disregarded in calculating—

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

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

(11) Income specified in Schedule 4 is to be disregarded in the calculation of the applicant's income.

(12) Schedule 5 has effect so that—

- (a) the capital specified in Part 1 of that Schedule is disregarded for the purpose of determining an applicant's income; and
- (b) the capital specified in Part 2 of that Schedule is disregarded for the purpose of determining an applicant's income under paragraph 31 (calculation of tariff income from capital: pensioners).

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

Earnings of employed earners: pensioners

12.—(1) Subject to sub-paragraph (2), “earnings” (“*enillion*”), in the case of employment as an employed earner who is a pensioner, 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 that applicant’s employment by reason of redundancy;
- (c) any payment in lieu of notice;
- (d) any holiday pay;
- (e) any payment by way of a retainer;
- (f) any payment made by the applicant’s employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant’s employer in respect of—
 - (i) travelling expenses incurred by the applicant between the applicant’s home and place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of the applicant’s family owing to the applicant’s absence from home;
- (g) the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person’s earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001⁽¹⁾;
- (h) statutory sick pay and statutory maternity pay payable by the employer under the SSCBA;
- (i) statutory paternity pay payable under Part 12ZA of the SSCBA;
- (j) statutory adoption pay payable under Part 12ZB of the SSCBA;
- (k) any sums payable under a contract of service—
 - (i) for incapacity for work due to sickness or injury; or
 - (ii) by reason of pregnancy or confinement.

(2) Earnings does not include—

- (a) subject to sub-paragraph (3), any payment in kind;

(1) S.I. 2001/1004.

- (b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;
- (c) any occupational pension;
- (d) any lump sum payment made under the Iron and Steel Re-adaptation Benefits Scheme;
- (e) any payment of compensation made pursuant to an award by an employment tribunal established under the Employment Tribunals Act 1996⁽¹⁾ in respect of unfair dismissal or unlawful discrimination;
- (f) 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)(g).

Calculation of net earnings of employed earners: pensioners

13.—(1) For the purposes of paragraph 18 (calculation of income on a weekly basis: pensioners), 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 paragraph 11(4) and Schedule 3, (calculation of weekly income: pensioners) be that applicant's net earnings.

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

- (a) any amount deducted from those earnings by way of—
 - (i) income tax;
 - (ii) primary Class 1 contributions under the SSCBA;
- (b) one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- (c) one-half of the amount calculated in accordance with sub-paragraph (4) in respect of any qualifying contribution payable by the applicant; and
- (d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, ordinary or additional statutory

(1) 1996 c.17.

paternity pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which correspond to primary Class 1 contributions under the SSCBA.

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

(4) The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying contribution is to be determined—

- (a) where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
- (b) in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.

(5) Where the earnings of an applicant are determined under paragraph 11(2)(b) (calculation of weekly income: classes A and B) that applicant’s net earnings are to be calculated by taking into account those earnings over the assessment period, less—

- (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under section 35, 36 or 37 of the Income Tax Act 2007⁽¹⁾ (personal allowances) as is appropriate to the applicant’s 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 subparagraph is to be calculated on a pro rata basis;

(1) 2007 c.3; the heading and subsection (1) of section 35 were amended by section 4 of the Finance Act 2012 (c.14) (“2012 Act”); subsections (2) and (4) were inserted by section 4 of the Finance Act 2009 (c.10). In section 36, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by article 3 of S.I. 2012/3047 and section 4 of the Finance Act 2009. In section 37, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by article 3 of S.I. 2012/3047 and section 4 of the Finance Act 2009.

- (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by the applicant under the SSCBA in respect of those earnings if such contributions were payable; and
- (c) one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

Calculation of earnings self-employed earners: pensioners

14.—(1) Where the earnings of an applicant who is a pensioner consist of earnings from employment as a self employed earner, the weekly amount of that applicant's earnings is to be determined by reference to the applicant's average weekly earnings from that employment—

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

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

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

Earnings of self-employed earners: pensioners

15.—(1) Subject to sub-paragraph (2), "earnings" ("*enillion*"), in the case of employment as a self-employed earner who is a pensioner, means the gross income of the employment.

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

- (a) where an applicant occupies a dwelling as the applicant's home and the applicant provides in that dwelling board and lodging accommodation for which payment is made, those payments;
- (b) any payment made by a local authority to an applicant—

- (i) with whom a person is accommodated by virtue of arrangements made under section 22C or 23(2)(a) of the Children Act 1989⁽¹⁾ (provision of accommodation and maintenance for a child whom they are looking after) or, as the case may be, section 26(1) of the Children (Scotland) Act 1995⁽²⁾; or
- (ii) with whom a local authority fosters a child under the Looked After Children (Scotland) Regulations 2009⁽³⁾ or who is a kinship carer under those Regulations;
- (c) any payment made by a voluntary organisation in accordance with section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations);
- (d) any payment made to the applicant or the applicant's partner for a person ("the person concerned") who is not normally a member of the applicant's household but is temporarily in the applicant's care, by—
 - (i) a local authority but excluding payments of housing benefit made in respect of the person concerned;
 - (ii) a voluntary organisation;
 - (iii) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948⁽⁴⁾;
 - (iv) the National Health Service Commissioning Board or a clinical commissioning group established under section 14D of the National Health Service Act 2006⁽⁵⁾; or
 - (v) a Local Health Board established by an order made under section 11 of the National Health Service (Wales) Act 2006⁽⁶⁾;
- (e) any sports award.

(1) 1989 c.41; section 23 was substituted by sections 22A to 22F by section 8(1) of the Children and Young Persons Act 2008 (c.23). Section 22C is in force in England but only section 22C(11) is in force in Wales.

(2) 1995 c.36; section 26 was amended by paragraph 1 of Schedule 3 to the Adoption and Children (Scotland) Act 2007 (asp 4).

(3) S.I. 2009/210.

(4) 1948 c.29; section 26(3A) was inserted by section 42(4) of the National Health Service and Community Care Act 1990 (c.19).

(5) 2006 c.41. The Commissioning Board is established under section 1H of that Act (inserted by section 9 of the Health and Social Care Act 2012 (c.7)); section 14D was inserted by section 25 of the 2012 Act.

(6) 2006 c.42.

Notional income: pensioners

16.—(1) An applicant who is a pensioner is to be treated as possessing—

- (a) subject to sub-paragraph (2), the amount of any retirement pension income—
 - (i) for which no claim has been made; and
 - (ii) to which that applicant might expect to be entitled if a claim for it were made;
- (b) income from an occupational pension scheme which the applicant elected to defer.

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

- (a) a Category A or Category B retirement pension payable under sections 43 to 55 of the SSCBA;
- (b) a shared additional pension payable under section 55A of the SSCBA;
- (c) graduated retirement benefit payable under sections 36 and 37 of the National Insurance Act 1965⁽¹⁾.

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

- (a) in the case of a Category A or Category B pension, in the circumstances specified in section 55(3) of the SSCBA;
- (b) in the case of a shared additional pension, in the circumstances specified in section 55C(3) of the SSCBA; and
- (c) in the case of graduated retirement benefit, in the circumstances specified in section 36(4) and (4A) of the National Insurance Act 1965.

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

- (a) is entitled to money purchase benefits under an occupational pension scheme or a personal pension scheme;
- (b) fails to purchase an annuity with the funds available in that scheme; and
- (c) either—
 - (i) defers in whole or in part the payment of any income which would have been payable to that person by that person's pension fund holder, or
 - (ii) fails to take any necessary action to secure that the whole of any income which would be payable to that person by

⁽¹⁾ 1965 c.51.

that person's pension fund holder upon that person applying for it, is so paid, or

(iii) is a person to whom income withdrawal is not available under that scheme.

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

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

(7) The amount of any income foregone in a case where sub-paragraph (4)(c)(iii) applies is to be the income that the applicant could have received without purchasing an annuity had the funds held under the relevant scheme been held under a personal pension scheme or occupational pension scheme where income withdrawal was available and is to be determined in the manner specified in sub-paragraph (6).

(8) In sub-paragraph (4), "money purchase benefits" (*"buddion pryniant ariannol"*) has the same meaning as in the Pension Schemes Act 1993.

(9) Subject to sub-paragraphs (10) and (12), a person is to be treated as possessing income of which that person has deprived himself or herself for the purpose of securing entitlement to a reduction under an authority's scheme or increasing the amount of the reduction.

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

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

(12) Sub-paragraph (9) does not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant's participation in a service user group.

(1) S.I. 2005/454.

(13) Where an applicant is in receipt of any benefit under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1 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 1 April or the first Monday in April in that year, whichever date the authority selects to apply, to the date on which the altered rate is to take effect.

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

- (a) determine the income and capital of that applicant in accordance with paragraph 8 (calculation of pensioner's income in savings credit only cases) where the calculation or estimate of that income and capital is altered with effect from a date on or after 1 April in any year but not more than 14 days thereafter; and
- (b) treat that applicant as possessing such income and capital at the altered rate by reference to the date selected by the authority to apply in its area, for the purposes of establishing the period referred to in sub-paragraph (13).

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

- (a) that person's rights to benefits under a registered pension scheme are extinguished and in consequence of this that person receives a payment from the scheme, and
- (b) that payment is a trivial commutation lump sum within the meaning given by paragraph 7 of Schedule 29 to the Finance Act 2004.

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

Income paid to third parties: pensioners

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

(2) Sub-paragraph (1) does not apply in respect of a payment of income made under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—

- (a) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980⁽¹⁾;
- (b) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
- (c) the person referred to in paragraph (a) and that person's partner does not possess, or is not treated as possessing, any other income apart from that payment.

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

Calculation of income on a weekly basis: pensioners

18.—(1) Subject to paragraph 22 (disregard of changes in tax contributions, etc), the income of an applicant is to be calculated on a weekly basis—

- (a) by estimating the amount which is likely to be the applicant's average weekly income in accordance with this Part;
- (b) by adding to that amount the weekly income calculated under paragraph 31 (calculation of tariff income from capital); and
- (c) by then deducting any relevant child care charges to which paragraph 19 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in sub-paragraph (2) are met, from those earnings plus whichever credit specified in paragraph (b) of that sub-paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in sub-paragraph (3) applies in the applicant's case.

(2) The conditions of this paragraph are that—

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

⁽¹⁾ 1980 c.46.

- (b) that applicant or, if the applicant is a member of a couple either the applicant or the applicant's partner, is in receipt of either working tax credit or child tax credit.
- (3) The maximum deduction to which sub-paragraph (1)(c) above refers is to be—
- (a) where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175 week;
 - (b) where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300 per week.

Treatment of child care charges: pensioners

19.—(1) This paragraph applies where an applicant (within the meaning of this paragraph) is incurring relevant child care charges and—

- (a) is a lone parent and is engaged in remunerative work;
- (b) is a member of a couple both of whom are engaged in remunerative work; or
- (c) is a member of a couple where one member is engaged in remunerative work and the other—
 - (i) is incapacitated;
 - (ii) is an in-patient in hospital; or
 - (iii) is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).

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

- (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⁽¹⁾; or
- (e) is credited with earnings on the grounds of incapacity for work or limited capability for

(1) S.I. 1987/1967.

work under regulation 8B of the Social Security (Credits) Regulations 1975⁽¹⁾.

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

- (a) the first day of the period in respect of which the person was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
- (b) the first day of the period in respect of which earnings are credited,

as the case may be.

(4) In a case to which sub-paragraph (2)(d) or (e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.

(5) Relevant child care charges are those charges for care to which sub-paragraphs (6) and (7) apply, and are to be calculated on a weekly basis in accordance with sub-paragraph (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 child's date of birth and ending on the day preceding the first Monday in September following that child'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 regulation 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—

(1) S.I. 1975/556.

- (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⁽¹⁾; or
- (c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010⁽²⁾; 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⁽³⁾; or
- (e) by—
 - (i) persons registered under section 59(1) of the Public Services Reform (Scotland) Act 2010⁽⁴⁾; 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⁽⁵⁾; or
- (h) by any of the schools mentioned in section 34(2) of the Childcare Act 2006⁽⁶⁾ in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act

⁽¹⁾ S.I. 1999/3110.
⁽²⁾ 2010 nawm 1.
⁽³⁾ S.I. 2010/2839 (W.233).
⁽⁴⁾ 2010 asp 8.
⁽⁵⁾ 2006 c.21.
⁽⁶⁾ Section 34(2) has been amended by paragraphs 30 and 32 and section 53(2) by paragraphs 30 and 34 of Schedule 1 to the Education and Skills Act 2008 (c.25) but those provisions are not yet in force.

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 section 18(5) of that Act; or
- (k) by a foster parent or kinship carer under the Fostering Services (England) Regulations 2011⁽¹⁾, the Fostering Services (Wales) Regulations 2003⁽²⁾ or the Looked After Children (Scotland) Regulations 2009⁽³⁾ in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or
- (l) by a domiciliary care worker under the Domiciliary Care Agencies (Wales) Regulations 2004⁽⁴⁾; 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” (“*y dydd Llun cyntaf ym Medi*”) 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 is a pensioner and the other member of the couple is aged not less than 80;
- (b) the applicant is a pensioner and the other member of the couple is aged less than 80, and—
 - (i) an additional condition specified in paragraph 20 (additional condition for the disability premium) is treated as

(1) S.I. 2011/581.
(2) S.I. 2003/237 (W.35).
(3) S.S.I. 2009/210.
(4) S.I. 2004/219 (W.23).

- applying in the other member of the couple's case; and
- (ii) the other member of the couple satisfies those conditions or would satisfy them but for that member of the couple 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) the applicant 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⁽¹⁾ (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) the applicant 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 the other member 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;

(1) Part 12A was inserted by section 5 of the Social Security (Incapacity for Work) Act 1994 and amended by section 70 of, and paragraphs 20 and 23 of Schedule 8 to, the Welfare Reform and Pensions Act 1999 (c.30). It has been repealed by paragraph 9(1) and (12) of Schedule 3 to the Welfare Reform Act 2007 (c.5) but those provisions are not yet in force.

- (iii) severe disablement allowance under section 68 of the SSCBA;
- (iv) disability living allowance under section 71 of the SSCBA;
- (v) personal independence payment under Part 4 of the Welfare Reform Act 2012;
- (vi) an AFIP;
- (vii) increase of disablement pension under section 104 of the SSCBA;
- (viii) a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under sub-paragraph (ii), (iv), (v) or (vi) above;
- (ix) main phase employment and support allowance;
- (g) a pension or allowance to which sub-paragraph (vi) or (vii) of paragraph (f) refers was payable on account of the other member's incapacity but has ceased to be payable in consequence of that other member becoming a patient, which in this paragraph means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005;
- (h) an attendance allowance under section 64 of the SSCBA or disability living allowance 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 a suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;

- (k) paragraph (f), (g), (h) or (i) would apply to the other member if the legislative provisions referred to in those paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or
- (l) the other member has an invalid carriage or other vehicle provided to the other member by the Secretary of State under paragraph 9 of Schedule 1 to the National Health Service Act 2006⁽¹⁾ 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 provided by the Welsh Ministers under section 5 of, and Schedule 1 to the National Health Service (Wales) Act 2006.

(12) For the purposes of sub-paragraph (11), once sub-paragraph (11)(d) applies to the applicant, if the applicant then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph is, on the applicant again becoming so incapable, or so treated as incapable, of work at the end of that period, to immediately thereafter apply to the applicant for so long as the applicant 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 applicant, if the applicant then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that sub-paragraph is, on the applicant again having, or being treated as having limited capability for work at the end of that period, immediately thereafter to apply to the applicant for so long as the applicant 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 that person 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;

(1) 2006 c.41; paragraph 9 has been amended by section 17(10) of the Health and Social Care Act 2012 (c.7) (to replace references to the Secretary of State with references to clinical commissioning groups), but those provisions are not yet fully in force.

- (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 that person 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;
- (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; or
- (e) to whom AFIP is payable.

(15) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave or adoption leave is to be treated as if 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 or adoption leave began the person was in remunerative work;
- (b) the person is incurring relevant child care charges within the meaning of sub-paragraph (5); and
- (c) the person 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 virtue 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 leave, paternity leave or adoption leave commences and ends on—

- (a) the date that leave ends;
- (b) if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support (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 child care element of the working tax credit ends;

whichever occurs first.

(17) In sub-paragraphs (15) and (16)—

- (a) “qualifying support” (“*cymhorthdal cymwys*”) means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support (General) Regulations 1987⁽¹⁾; and
- (b) “child care element” (“*elfen gofal plant*”) of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act 2002 (child care element).

(18) In this paragraph “applicant” (“*ceisydd*”) does not include an applicant—

- (a) who has, or
- (b) who (jointly with a partner) has,

an award of universal credit.

Additional condition referred to in paragraph 19(11)(b)(i): disability : pensioners

20.—(1) Subject to sub-paragraph (2), the additional condition referred to in paragraph 19(11)(b)(i) is that either—

- (a) the applicant or, as the case may be, the applicant’s partner—
 - (i) is in receipt of one or more of the following benefits: attendance allowance, disability living allowance, personal independence payment, an AFIP, the disability element or the severe disability element of working tax credit as specified in regulation 20(1)(b) and (f) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002⁽²⁾, 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

(1) S.I. 1987/1967; Schedule 1B was inserted by S.I. 1996/206, and paragraph 14B was inserted by S.I. 2012/757.
 (2) S.I. 2002/2005.

- disablement allowance, only where it is paid in respect of the applicant; 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 council tax benefit (for the period prior to 1 April 2013) or a reduction under an authority's scheme (for the period after 1 April 2013) and, if the long-term incapacity benefit was payable to the applicant's 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 the applicant's partner becoming a patient within the meaning of paragraph 19(11)(g) (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 19(11)(g) (treatment of child care charges); or
 - (v) was in receipt of an AFIP but its payment has been suspended in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution; or
 - (vi) is provided by the Secretary of State or a clinical commissioning group with an invalid carriage or other vehicle under paragraph 9 of Schedule 1 to the National Health Service Act 2006 or, in Scotland, under section 46 of the National Health Service (Scotland) Act 1978 (provision of services by Scottish Ministers), or in Wales, under section 5 and Schedule 1 to the National Health Service (Wales) Act 2006, or in Northern Ireland, is provided with an invalid carriage or other vehicle by the Department of Health, Social Services and Public Safety under article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972,

or receives payments by way of grant from the Secretary of State under paragraph 10(3) of Schedule 1 to the Act of 2006⁽¹⁾ (provision of vehicles for disabled persons) or, in Scotland, by Scottish Ministers under section 46 of the Act of 1978; or

(vii) is blind and in consequence registered in a register compiled by a local authority 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

(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.

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

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

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

(1) Sub-paragraph (3) was amended by section 17 of the Health and Social Care Act 2012 (c. 7).

incapacity benefit already payable to the person is or was equal to or greater than the long term rate.

(5) 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⁽¹⁾), and who again becomes incapable of work for the purposes of Part 12A of the SSCBA) the reference to a period of 56 days in sub-paragraph (3) must be treated as a reference to a period of 104 weeks.

Calculations of average weekly income from tax credits

21.—(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 must be the period set out in sub-paragraph (3).

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

- (a) a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;
- (b) a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;
- (c) a two weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;
- (d) a four weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

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

Disregard of changes in tax, contributions etc

22. In calculating the applicant’s income an 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

(1) S.I. 1995/311: regulation 13A was inserted by S.I. 1998/2231 and amended by S.I. 1999/3109, S.I. 2006/707 and S.I. 2006/2378.

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.

Calculation of net profit of self-employed earners

23.—(1) For the purposes of paragraph 18 (calculation of income on a weekly basis) the earnings of an applicant to be taken into account are—

- (a) in the case of a self-employed earner who is engaged in employment on that person's 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, that person's 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 24 (calculation of deduction of tax and contributions of self-employed earners); and
 - (ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

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

- (a) subject to sub-paragraphs (4) to (7), any expenses wholly and exclusively incurred in that period for the purposes of that employment;
- (b) an amount in respect of—
 - (i) income tax; and
 - (ii) social security contributions payable under the SSCBA,

calculated in accordance with paragraph 24 (calculation of deduction of tax and contributions of self-employed earners); and

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

(3) For the purposes of sub-paragraph (1)(b) the net profit of the employment is to be calculated by taking into account the earnings of the employment over the assessment period less, subject to sub-paragraphs (4) to (7), any expenses wholly and exclusively incurred in that period for the purposes of the employment.

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

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

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

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

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

(7) For the avoidance of doubt—

- (a) a deduction must not be made under sub-paragraph (2)(a) or (3) in respect of any sum unless it has been expended for the purposes of the business;
- (b) a deduction must be made thereunder in respect of—
 - (i) the excess of any value added tax paid over value added tax received in the assessment period;
 - (ii) any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
 - (iii) any payment of interest on a loan taken out for the purposes of the employment.

(8) Where an applicant is engaged in employment as a child minder the net profit of the employment is to be one-third of the earnings of that employment, less—

- (a) an amount in respect of—
 - (i) income tax; and
 - (ii) social security contributions payable under the SSCBA,
calculated in accordance with paragraph 24 (calculation of deduction of tax and contributions for self-employed earners); and
- (b) one-half of the amount calculated in accordance with sub-paragraph (10) in respect of any qualifying premium.

(9) For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and the applicant is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of the applicant's employments must not be offset against the applicant's earnings in any other of the applicant's employments.

(10) The amount in respect of any qualifying premium is to be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying premium 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.

(11) In this paragraph, “qualifying premium” (*“premiwm cymwys”*) 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.

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

24.—(1) The amount to be deducted in respect of income tax under paragraph 23(1)(b)(i), (2)(b)(i) or (8)(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

section 35, 36 or 37 of the Income Tax Act 2007⁽¹⁾ as is appropriate to the applicant's 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 23(1)(b)(i), (2)(b)(ii) or (8)(a)(ii) is the total of—

- (a) the amount of Class 2 contributions payable under section 11(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" (*"incwm trethadwy"*) means—

- (a) except where paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph 23(3)(a) or, as the case may be, paragraph 23(4);
- (b) in the case of employment as a child minder, one-third of the earnings of that employment.

(1) 2007 c.3; the heading and subsection (1) of section 35 were amended by section 4 of the Finance Act 2012 (c.14) ("2012 Act"); subsections (2) and (4) were inserted by section 4 of the Finance Act 2009 (c.10). In section 36, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by article 3 of S.I. 2012/3047 and section 4 of the Finance Act 2009. In section 37, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by article 3 of S.I. 2012/3047 and section 4 of the Finance Act 2009.

CHAPTER 4

Capital

Calculation of Capital

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

(2) There must be disregarded from the calculation of an applicant's capital under sub-paragraph (1), any capital, where applicable, specified in Schedule 5 (capital disregards), in relation to pensioners.

(3) In the case of an applicant who is a pensioner, the applicant's capital is to be treated as including any payment made to the applicant by way of arrears of—

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

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

Calculation of capital in the United Kingdom

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

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

Calculation of capital outside the United Kingdom

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

- (a) in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value;
- (b) in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer,

less, where there would be expenses attributable to sale, 10 per cent and the amount of any encumbrances secured on it.

(1) The capital limit is £16,000, see paragraph 31.

Notional capital

28.—(1) An applicant is to be treated as possessing capital of which the applicant has deprived himself or herself 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 29 (diminishing notional capital rule).

(2) An applicant who is a pensioner who disposes of capital for the purpose of—

- (a) reducing or paying a debt owed by the applicant; or
- (b) purchasing goods or services if the expenditure was reasonable in the circumstances of the applicant's case,

is to be regarded as not depriving himself or herself of it.

(3) Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, the applicant may be treated as if the applicant were such sole owner or partner and in such a case —

- (a) the value of the applicant's holding in that company must, notwithstanding paragraph 25 (calculation of capital) be disregarded; and
- (b) the applicant must, subject to sub-paragraph (4), be treated as possessing an amount of capital equal to the value or, as the case may be, the applicant's share of the value of the capital of that company and the foregoing provisions of this Chapter apply for the purposes of calculating that amount as if it were actual capital which the applicant does possess.

(4) For so long as the applicant undertakes activities in the course of the business of the company, the amount which the applicant is treated as possessing under sub-paragraph (3) is to be disregarded.

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

Diminishing notional capital rule: pensioners

29.—(1) Where an applicant who is a pensioner is treated as possessing capital under paragraph 28(1) (notional capital), the amount which the applicant is treated as possessing—

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

(i) the relevant week in respect of which the conditions set out in sub-paragraph (2) are satisfied; or

(ii) a week which follows that relevant week and which satisfies those conditions,

is to be reduced by an amount determined under sub-paragraph (3);

(b) in the case of a week in respect of which sub-paragraph (1)(a) does not apply but where—

(i) that week is a week subsequent to the relevant week; and

(ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied,

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

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

(a) the applicant is in receipt of a reduction in council tax under an authority's scheme; and

(b) but for paragraph 28(1), the applicant would have received a greater reduction in council tax under an authority's scheme in that week.

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

(a) an amount equal to the additional amount of the reduction in council tax to which sub-paragraph (2)(b) refers;

(b) where the applicant has also claimed state pension credit, the amount of any state pension credit or any additional amount of state pension credit to which the applicant would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 21(1) of the State Pension Credit Regulations 2002⁽¹⁾ (notional capital);

(c) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of housing benefit to which the applicant 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 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state

(1) S.I. 2002/1792.

pension credit) Regulations 2006⁽¹⁾ (notional capital);

- (d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which the applicant would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996⁽²⁾ (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 the applicant would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008⁽³⁾ (notional capital).

(4) Subject to sub-paragraph (7), for the purposes of sub-paragraph (1)(b) the condition is that the applicant is a pensioner and would have been entitled to a reduction in council tax under an authority's scheme in the relevant week but for paragraph 28(1).

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

- (a) the amount of the reduction in council tax to which the applicant would have been entitled in the relevant week but for paragraph 28(1);
- (b) if the applicant would, but for regulation 21 of the State Pension Credit Regulations 2002, have been entitled to state pension credit in respect of the benefit week, within the meaning of regulation 1(2) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which the applicant would have been entitled;
- (c) if the applicant would, but for regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit week which includes the last day of the relevant week, the amount which is equal to—

⁽¹⁾ S.I. 2006/214.

⁽²⁾ S.I. 1996/207.

⁽³⁾ S.I. 2008/794.

- (i) in a case where no housing benefit is payable, the amount to which the applicant would have been entitled; or
 - (ii) in any other case, the amount equal to the additional amount of housing benefit to which the applicant 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 the applicant 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 the applicant would have been entitled.
- (6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) ("the relevant amount") is in respect of a part-week, the amount that is to be taken into account under that paragraph is to be determined by—
- (a) dividing the relevant amount by the number equal to the number of days in that part-week, and
 - (b) multiplying the result of that calculation by 7.
- (7) The amount determined under sub-paragraph (5) is to be re-determined under that 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) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words "relevant week" there were substituted the words "relevant subsequent week"; and
 - (b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.
- (8) The conditions are that—
- (a) a further application is made 26 or more weeks after—
 - (i) the date on which the applicant made an application for a reduction in council tax

in respect of which the applicant was first treated as possessing the capital in question under paragraph 28(1);

(ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (7), the date on which the applicant 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 the applicant last ceased to be entitled to a reduction in council tax under the authority's scheme,

whichever last occurred; and

(b) the applicant would have been entitled to a reduction in council tax under an authority's scheme but for paragraph 28(1).

(9) 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.

(10) For the purposes of this paragraph—

“part-week” (*“rhan-wythnos”*)—

(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 an authority's scheme is allowed;

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

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

(i) a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and

(ii) any other period of less than a week for which it is payable;

“relevant week” (*“wythnos berthnasol”*) means the reduction week or part-week in which the capital in question of which the applicant has deprived himself or herself within the meaning of paragraph 28(1)—

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

(b) was taken into account on a subsequent occasion for the purpose of determining or re-determining the applicant's entitlement to a

reduction on that subsequent occasion and that determination or redetermination resulted in the applicant beginning to receive, or ceasing to receive, a reduction under an authority's scheme;

and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

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

Capital jointly held: pensioners

30. Except where an applicant possesses capital which is disregarded under paragraph 28(3) (notional capital), where an applicant and one or more persons are beneficially entitled in possession to any capital asset they must be treated, in the absence of evidence to the contrary, as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Chapter apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess.

Calculation of tariff income from capital: pensioners

31. The capital of an applicant who is a pensioner, calculated in accordance with this Schedule, is to be treated as if it were a weekly income of—

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

PART 5

Extended reductions: pensioners

Extended reductions (qualifying contributory benefits): pensioners

32.—(1) Except in the case of an applicant who is in receipt of state pension credit, an applicant who is entitled to a reduction under an authority's scheme (by virtue of the falling within class A or B) is to be 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 an authority's scheme by virtue of falling within class A or B where—

- (a) the applicant ceased to be entitled to a reduction under the authority's scheme because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

Duration of extended reduction period (qualifying contributory benefits): pensioners

33.—(1) Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the day immediately following the day in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

(2) The extended reduction period ends—

- (a) at the end of a period of four weeks; or

- (b) on the date on which the applicant who is receiving the extended reduction (qualifying contributory benefits) has no liability for council tax, if that occurs first.

Amount of extended reduction (qualifying contributory benefits): pensioners

34.—(1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) the applicant is entitled to is the greater of—

- (a) the amount of council tax reduction to which the applicant was entitled by virtue of falling within class A or B in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
- (b) the amount of reduction under an authority's scheme to which the applicant would be entitled by virtue of falling within class A or B for any reduction week during the extended reduction period, if paragraph 32 (extended reductions (qualifying contributory benefits): pensioners) did not apply to the applicant; or
- (c) the amount of reduction under an authority's scheme to which the applicant's partner would be entitled by virtue of falling within class A or B, if paragraph 32 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 an authority's scheme, an authority must not award a reduction in pursuance of that application during the extended reduction period.

Extended reductions (qualifying contributory benefits) — movers: pensioners

35.—(1) This paragraph applies—

- (a) to a mover⁽¹⁾; and
- (b) from the Monday following the day of the move.

(2) The amount of the extended reduction (qualifying contributory benefit) awarded from the Monday from which this paragraph applies until the end of the extended reduction period is the amount of reduction

(1) See also paragraph 38 in relation to persons moving into the area of one authority from another authority's area.

under the authority's ("the first authority") 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 the first authority to—

- (a) the second authority; or
- (b) the mover directly.

Relationship between extended reduction (qualifying contributory benefits) and entitlement to a council tax reduction by virtue of falling within class A or B: pensioners

36.—(1) Where an applicant's reduction under an authority's scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 32(1)(b), that reduction does not cease to have effect until the end of the extended reduction period.

(2) Part 6 (period of entitlement and changes of circumstances) will not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 34(1)(a) or paragraph 35 (amount of extended reduction — movers: pensioners).

Continuing reductions where state pension credit claimed: pensioners

37.—(1) This paragraph applies where—

- (a) the applicant is entitled to a reduction under an authority's scheme;
- (b) sub-paragraph (2) is satisfied; and
- (c) either—
 - (i) the applicant has attained the qualifying age for state pension credit or, if the applicant's entitlement to income-based jobseeker's allowance or income-related employment and support allowance continued beyond that age, has attained the age of 65; or
 - (ii) the applicant's partner has actually claimed state pension credit.

(2) This sub-paragraph is only satisfied if the Secretary of State has certified to the authority that the applicant's partner has actually claimed state pension credit or that—

- (a) the applicant's award of—

- (i) income support has terminated because the applicant has attained the qualifying age for state pension credit; or
- (ii) income-based jobseeker's allowance or income-related employment and support allowance has terminated because the applicant has attained the qualifying age for state pension credit or the age of 65; and
- (b) the applicant has claimed or is treated as having claimed or is required to make a claim for state pension credit.

(3) Subject to sub-paragraph (4), in a case to which this paragraph applies, a reduction under an authority's scheme is to continue to be awarded for the period of 4 weeks beginning on the day following the day the applicant's entitlement to income support or, as the case may be, income-based jobseeker's allowance, or income related employment and support allowance, ceased, if and for so long as the applicant otherwise satisfies the conditions for entitlement to a reduction under an authority's scheme.

(4) Where a reduction under an authority's scheme is awarded for the period of 4 weeks in accordance with sub-paragraph (3) above, and the last day of that period falls on a day other than the last day of a reduction week, then the reduction under the scheme is to continue to be awarded until the end of the reduction week in which the last day of that period falls.

(5) Throughout the period of 4 weeks specified in sub-paragraph (3) and any further period specified in sub-paragraph (4)—

- (a) the whole of the income and capital of the applicant is to be disregarded;
- (b) the applicant's maximum council tax reduction is to be that which was applicable in the applicant's case immediately before that period commenced.

(6) The maximum council tax reduction is to be calculated in accordance with paragraph 2(1) if, since the date it was last calculated—

- (a) the applicant's council tax liability has increased; or
- (b) a change in the deduction under paragraph 3 (non-dependant deductions) falls to be made.

Extended reductions: movers into an authority's area

38.—(1) Where—

- (a) an application is made to an authority for a reduction under an authority's scheme, and

- (b) the applicant, or the partner of the applicant, is in receipt of an extended reduction from—
 - (i) another billing authority in Wales;
 - (ii) a billing authority in England;
 - (iii) a local authority in Scotland, or
 - (iv) a local authority in Northern Ireland,

the billing authority must reduce any reduction to which the applicant is entitled under its scheme by the amount of that extended reduction.

(2) For the purposes of this paragraph “billing authority” (“*awdurdod bilio*”) means a billing authority as defined in section 1 of the 1992 Act.

PART 6

Period of entitlement and change of circumstances

Date on which entitlement begins

39. Any person by whom or in respect of whom an application for a reduction under an authority’s scheme is made and who is otherwise entitled to that reduction is to be so entitled from the date on which the application is treated as made in accordance with paragraph 2 of Schedule 13 (date on which application is made).

Date on which change of circumstances is to take effect

40.—(1) Except in cases where paragraph 22 (disregard of changes in tax, contributions, etc) applies and subject to the following provisions of this paragraph and paragraph 41 (change of circumstances where state pension credit in payment), a change of circumstances which affects entitlement to, or the amount of, a reduction under an authority’s scheme (“change of circumstances”), takes effect from the first day 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 will be 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 12 of that Act, it is to take effect from the day on which the change in amount has effect.

(5) Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.

(6) Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.

(7) 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 is to take effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of an authority's scheme.

(8) Without prejudice to sub-paragraph (7), 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 an authority's scheme.

Change of circumstances where the state pension credit payment in payment

41.—(1) Sub-paragraphs (2) to (4) apply where—

- (a) the applicant is in receipt of state pension credit;
- (b) the amount of state pension credit awarded to the applicant is changed in consequence of a change in the applicant's circumstances or the correction of an official error; and
- (c) the change in the amount of state pension credit payable to the applicant results in a change in the amount of a reduction the applicant receives under an authority's scheme.

(2) Where the change of circumstance is that an increase in the amount of state pension credit payable to the applicant results in—

- (a) an increase in the reduction the applicant receives under an authority's scheme, the change takes effect on the day on which the state pension credit becomes payable at the increased rate; or
- (b) a decrease in the reduction the applicant receives under an authority's scheme, the change takes effect on the day on which—

- (i) state pension credit becomes payable at the increased rate; or
- (ii) the authority receives notification from the Secretary of State of the increase in the amount of state pension credit,

whichever is the later.

(3) Where the change of circumstance (“the relevant change”) is that the applicant’s state pension credit has been reduced and in consequence the reduction the applicant receives under an authority’s scheme reduces—

- (a) in a case where the applicant’s state pension credit has been reduced because the applicant failed to notify the Secretary of State timeously of a change of circumstances, the relevant change takes effect on the day on which state pension credit was reduced; or
- (b) in any other case the relevant change takes effect from the first day on which—
 - (i) the state pension credit is reduced; or
 - (ii) the authority receives notification from the Secretary of State of the reduction in the amount of state pension credit,

whichever is the later.

(4) Where the change of circumstance is that the applicant’s state pension credit is reduced and in consequence of the change, the amount of reduction the applicant receives under an authority’s scheme is increased, the change takes effect on the day on which state pension credit becomes payable at the reduced rate.

(5) Where a change of circumstance occurs in that an award of state pension credit has been made to the applicant or the applicant’s partner and this would result in a decrease in the amount of reduction the applicant receives under an authority’s scheme, the change takes effect on the day on which —

- (a) entitlement to state credit pension begins; or
- (b) the authority receives notification from the Secretary of State of the award of state pension credit,

whichever is the later.

(6) Where, in the case of an applicant who, or whose partner, is or has been awarded state pension credit comprising only the savings credit, there is—

- (a) a change of circumstances of a kind described in any of sub-paragraphs (2) to (5) which results from a relevant calculation or estimate; and
- (b) a change of circumstances which is a relevant determination,

each of which results in a change in the amount of reduction the applicant receives under an authority's scheme, the change of circumstances referred to in paragraph (b) takes effect from the day specified in sub-paragraph (2), (3), (4) or (5) as the case may be, in relation to the change referred to in paragraph (a).

(7) Where a change of circumstance occurs in that a guarantee credit has been awarded to the applicant or the applicant's partner and this would result in an increase in the amount of a reduction the applicant receives under an authority's scheme, the change takes effect on the day on which the guarantee credit is first payable.

(8) Where a change of circumstances would, but for this sub-paragraph, take effect under the preceding provisions of this paragraph within the 4 week period specified in paragraph 37 (continuing reductions where state pension credit claimed), that change takes effect on the first day after the expiry of the 4 week period.

(9) In this paragraph—

“official error” (*“camgymeriad swyddogol”*) means an error made by—

(a) the authority or a person—

- (i) authorised to carry out any function of the authority relating to its scheme; or
- (ii) providing services relating to an authority's scheme directly or indirectly to the authority; or

(b) an officer of—

- (i) the Department for Work and Pensions; or
- (ii) the Commissioners for Revenue and Customs,

acting as such, but excludes any error caused wholly or partly by any person or body not specified in paragraph (a) or (b) of this definition and any error of law which is shown to have been an error only by virtue of a subsequent decision of the court;

“relevant calculation or estimate” (*“cyfrifiad neu amcangyfrif perthnasol”*) means the calculation or estimate made by the Secretary of State of the applicant's or, as the case may be, the applicant's partner's income and capital for the purposes of the award of state pension credit;

“relevant determination” (*“penderfyniad perthnasol”*) means a change in the determination by the authority of the applicant's income and capital using the relevant calculation or estimate, in accordance with paragraph 8(1).

SCHEDULE 2 Regulation 32(2)

Applicable amounts: pensioners

PART 1

Personal allowances

Personal allowance

1. The amount specified in column (2) below in respect of each person or couple specified in column (1) is the amount specified for the purposes of paragraph 1(1)(a) of Schedule 1.

Column (1) Person, couple or polygamous marriage	Column (2) Amount
(1) Single applicant or lone parent— (a) aged under 65; (b) aged 65 or over.	£145.40; £163.50.
(2) Couple— (a) both members aged under 65; (b) one or both members aged 65 or over	£222.05; £244.95.
(3) If the applicant is a member of a polygamous marriage and none of the members of the marriage has attained the age of 65— (a) for the applicant and the other party to the marriage; (b) for each additional spouse who is a member of the same household as the applicant.	£222.05; £76.65

(4) If the applicant is a member of a polygamous marriage and one or more members of the marriage are aged 65 or over—	
(a) for the applicant and the other party to the marriage;	£244.95;
(b) for each additional spouse who is a member of the same household as the applicant.	£81.45.

Child or young person amounts

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

Column (1) Child or young person	Column (2) Amount
Person in respect of the period —	
(a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	£65.62;
(b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	£65.62.

(2) In column (1) of the table in sub-paragraph (1) “the first Monday in September” (“*y dydd Llun cyntaf*”

ym Medi”) means the Monday which first occurs in the month of September in any year.

PART 2

Family premium

Family premium

3. The amount for the purposes of paragraph 1(1)(c) of Schedule 1 in respect of a family of which at least one member is a child or young person is £17.40.

PART 3

Premiums

4. The premiums specified in Part 4 are, for the purposes of paragraph 1(1)(d) of Schedule 1, to be applicable to an applicant who satisfies the condition specified in this Part in respect of that premium.

5.—(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for—

- (a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979(1) applies, any period during which, apart from the provision of those Regulations, that person would be in receipt of that benefit; and
- (b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State or the Welsh Ministers under section 2 of the Employment and Training Act 1973(2), or by Skills Development Scotland, Scottish Enterprise or Highland and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990(3) or for any period during which that person is in receipt of a training allowance.

(2) For the purposes of the carer premium under paragraph 9, a person is to be treated as being in receipt of a carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the

(1) S.I. 1979/597.
(2) 1973 c.50.
(3) 1990 c.35.

SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 or an AFIP.

Severe disability premium

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

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

- (a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3)—
 - (i) the applicant is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 or an AFIP; and
 - (ii) subject to sub-paragraph (6), the applicant has no non-dependants aged 18 or over normally residing with the applicant or with whom the applicant is normally residing; and
 - (iii) no person is entitled to, and in receipt of, a carer's allowance in respect of caring for the applicant;
- (b) in the case of an applicant who has a partner—
 - (i) the applicant is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP;
 - (ii) the applicant's partner is also in receipt of such an allowance or, if the applicant is a member of a polygamous marriage, each other member of that marriage is in receipt of such an allowance; and
 - (iii) subject to sub-paragraph (6), the applicant has no non-dependants aged 18 or over normally residing with the

applicant or with whom the applicant 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 the couple or, if the applicant is a member of a polygamous marriage, for one or more but not all the members of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance in respect of caring for either member of a couple or any of the members of the marriage.

(3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is blind or is treated as blind within the meaning of sub-paragraph (4), that partner is to be treated for the purposes of sub-paragraph (2) as if that partner were not a partner of the applicant.

(4) For the purposes of sub-paragraph (3), a person is blind if that person is registered in a register compiled by a local authority under section 29 of the National Assistance Act 1948⁽¹⁾ (welfare services) or, in Scotland, has been certified as blind and in consequence that person is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994⁽²⁾.

(5) For the purposes of sub-paragraph (4), a person who has ceased to be registered as blind on regaining that person's eyesight is nevertheless to be treated as blind and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which that person ceased to be so registered.

(6) For the purposes of sub-paragraph (2)(a)(ii) and (2)(b)(iii) no account is to be taken of—

- (a) a person receiving attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP; or
- (b) a person who is blind or is treated as blind within the meaning of sub-paragraphs (4) and (5).

(7) For the purposes of sub-paragraph (2)(b) a person is to be treated—

- (a) as being in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate

(1) 1948 c.29.

(2) 1994 c.39.

- prescribed in accordance with section 72(3) of the SSCBA, if that person would, but for that person's being a patient for a period exceeding 28 days, be so in receipt;
- (b) as being in receipt of the daily living component of personal independence payment paid at the rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 if that person would, but for that person's being a patient for a period exceeding 28 days, be so in receipt, notwithstanding section 86 of that Act and regulations made thereunder;
 - (c) as being in receipt of AFIP if the person would be so in receipt but for a suspension of payment 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;
 - (d) as being entitled to and in receipt of a carer's allowance if that person would, but for the person for whom that person was caring being a patient in hospital for a period exceeding 28 days, be so entitled and in receipt.
- (8) For the purposes of sub-paragraph (2)(a)(iii) and (2)(b)—
- (a) no account is to be taken of an award of carer's allowance to the extent that payment of such an award is back-dated for a period before the date on which the award is first paid; and
 - (b) references to a person being in receipt of a carer's allowance are to 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⁽¹⁾ (loss of benefit provisions).

Enhanced disability premium

7.—(1) The condition is that—

- (a) the care component of disability living allowance is, or would, but for a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA or but for an abatement as a consequence of hospitalisation, be payable at the highest rate prescribed under section 72(3) of that Act;
- (b) the daily living component of personal independence payment is, or would, but for a

(1) 2001 c.11.

suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012, be payable at the enhanced rate prescribed in accordance with section 78(2) of that Act; or

(c) AFIP is payable,

in respect of a child or young person who is a member of the applicant's family.

(2) Where the condition in sub-paragraph (1) ceases to be satisfied because of the death of a child or young person, the condition is that the applicant or partner is entitled to child benefit in respect of the child or young person under section 145A of the SSCBA (entitlement after death of child or qualifying young person).

Disabled child premium

8. The condition is that a child or young person for whom the applicant or a partner of the applicant 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 or payment because the child or young person is a patient, provided that the child or young person continues to be a member of the family; or
- (b) is blind within the meaning of paragraph 6(4) or treated as blind in accordance with paragraph 6(5); or
- (c) is a child or young person in respect of whom section 145A of the SSCBA (entitlement after death of child or qualifying young person) applies for the purposes of entitlement to child benefit but only for the period prescribed under that section, and in respect of whom a disabled child premium was included in the applicant's applicable amount immediately before the death of that child or young person, or ceased to be included in the applicant's applicable amount because of that child or young person's death.

Carer premium

9.—(1) The condition is that the applicant or the applicant's partner is, or both of them are, entitled to a carer's allowance.

(2) Where a carer premium has been awarded but—

- (a) the person in respect of whose care the carer's allowance has been awarded dies; or
- (b) the person in respect of whom the premium was awarded ceases to be entitled, or ceases

to be treated as entitled, to a carer's allowance,

this paragraph is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

(3) The relevant date for the purposes of sub-paragraph (2) is—

- (a) in a case within sub-paragraph (2)(a), the Sunday following the death of the person in respect of whose care the carer's allowance has been awarded (or the date of death if the death occurred on a Sunday);
- (b) in a case within sub-paragraph (2)(b), the date on which that person who was entitled to a carer's allowance ceases to be entitled to it.

(4) For the purposes of this paragraph, a person is to be treated as being entitled to and in receipt of a carer's allowance for any period not covered by an award but in respect of which a payment is made in lieu of an award.

Persons in receipt of concessionary payments

10. For the purpose of determining whether a premium is applicable to a person under paragraphs 6 to 9, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

Person in receipt of benefit

11. For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of that person and is to be so regarded only for any period in respect of which that benefit is paid.

PART 4

Amounts of premium specified in Part 3

Premium	Amount
12.—(1) Severe Disability Premium—	
(a) where the applicant satisfies the condition in paragraph 6(2)(a);	£59.50;
(b) where the applicant satisfies the	

condition in paragraph 6(2)(b)— (i) in a case where there is someone in receipt of a carer's allowance or if that person or any partner satisfies that condition only by virtue of paragraph 6(7); (ii) in a case where there is no-one in receipt of such an allowance.	£59.50; £119.00.
(2) Enhanced Disability Premium.	(2) £23.45 in respect of each child or young person in respect of whom the conditions specified in paragraph 7 are satisfied.
(3) Disabled Child Premium.	(3) £57.89 in respect of each child or young person in respect of whom the condition specified in paragraph 8 is satisfied.
(4) Carer Premium.	(4) £33.30 in respect of each person who satisfies the condition specified in paragraph 9.

SCHEDULE 3 Regulation 32(2)

Sums disregarded from applicant's earnings: pensioners

1. Where two or more of paragraphs 2 to 5 apply in any particular case the overall maximum sum which falls to be disregarded in that case under those paragraphs is restricted to—

- (a) £25 in the case of a lone parent;
- (b) £20 in any other case.

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

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

(2) This paragraph applies to employment—

- (a) as a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004⁽¹⁾ or a scheme to which section 4 of that Act applies;
- (b) as a part-time fire-fighter employed by the Scottish Fire and Rescue Service⁽²⁾;
- (c) as an auxiliary coastguard in respect of coast rescue activities;
- (d) in the manning or launching of a lifeboat if the employment is part-time;
- (e) as a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001⁽³⁾.

(3) If—

- (a) any of the earnings of the applicant or, if the applicant has a partner, the applicant's partner, or both of them, are disregarded under sub-paragraph (1); and
- (b) either of them has, or both of them have, other earnings,

so much of those other earnings as would not, in the aggregate with the earnings disregarded under that sub-paragraph, exceed £20.

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

(2) Where the carer premium is awarded in respect of the applicant and of any partner of the applicant, their earnings are for the purposes of this paragraph to be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) is not to exceed £20 of the aggregated amount.

(3) In this paragraph the applicant or the applicant's partner is a carer if paragraph 9 of Part 3 of Schedule 2 (carer premium) is satisfied in respect of the applicant.

(1) 2004 c.21.

(2) Section 1A of the Fire (Scotland) Act 2005 (asp 5) refers. Section 1A was inserted by section 101 of the Police and Fire Reform (Scotland) Act 2012 (asp 8).

(3) S.I. 2001/1004.

5.—(1) £20 is disregarded if the applicant or, if the applicant has a partner, the applicant's partner—

- (a) is in receipt of—
 - (i) long-term incapacity benefit under section 30A of the SSCBA;
 - (ii) severe disablement allowance under section 68 of that Act;
 - (iii) attendance allowance under section 64 of that Act;
 - (iv) disability living allowance;
 - (v) personal independence payment
 - (vi) an AFIP;
 - (vii) any mobility supplement under article 20 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006⁽¹⁾ (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983⁽²⁾;
 - (viii) the disability element or the severe disability element of working tax credit under Schedule 2 to the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002⁽³⁾; or
 - (ix) main phase employment and support allowance; or
- (b) is or are registered as blind in a register compiled by a local authority under section 29 of the National Assistance Act 1948⁽⁴⁾ (welfare services) or, in Scotland, has been certified as blind and in consequence is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994⁽⁵⁾; or
- (c) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work), and has been incapable, or has been treated as incapable, of work for a continuous period of not less than—
 - (i) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the SSCBA, 196 days;
 - (ii) in any other case, 364 days; or

(1) S.I. 2006/606.
(2) S.I. 1983/686.
(3) S.I. 2002/2005.
(4) 1948 c.29.
(5) 1994 c.39.

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

(i) the assessment phase as defined in section 24(2) of the Welfare Reform Act 2007 has ended; or

(ii) regulation 7 of the Employment and Support Allowance Regulations 2008⁽¹⁾ (circumstances where the condition that the assessment phase has ended before entitlement to the support component or the work-related activity component arising does not apply) applies.

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

(a) £20 was disregarded in respect of earnings taken into account in that award; and

(b) the person whose earnings qualified for the disregard continues in employment after the termination of that award.

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

(a) entitlement to housing benefit; or

(b) receipt of a reduction under an authority's scheme; or

(c) employment,

following the first day in respect of which that benefit or reduction is awarded under an authority's scheme.

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

6.—(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;

(1) S.I. 2008/794.

- (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
- (c) paragraph 7 of Schedule 1 (pensioners in receipt of guarantee credit) does not apply,

the amount specified in sub-paragraph (7) (“the specified amount”).

(2) Where this paragraph applies, paragraphs 1 to 5 and 8 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 2, then paragraph 2 applies instead of this paragraph.

(3) Notwithstanding paragraph 5 of Schedule 1 (calculation of income and capital: applicant’s family and polygamous marriages: pensioners), if sub-paragraph (1) applies to one member of a couple (“A”) it is not to 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 is also to be disregarded so much of B’s earnings as would not when aggregated with A’s earnings exceed the specified amount; but the amount of B’s earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.

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

- (a) in receipt of a contributory employment and support allowance;
- (b) in receipt of incapacity benefit;
- (c) in receipt of severe disablement allowance;
- (d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975⁽¹⁾.

(6) “Exempt work” (“*gwaith esempt*”) 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⁽²⁾,

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 that person’s partner is also undertaking other work.

(1) S.I. 1975/556.

(2) S.I. 1995/311.

(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).

7. Any amount or the balance of any amount which would fall to be disregarded under paragraph 18 or 19 of Schedule 4 had the applicant's income which does not consist of earnings been sufficient to entitle the applicant to the full amount disregarded thereunder.

8. Except where the applicant or the applicant's partner qualifies for a £20 disregard under the preceding provisions of this Schedule—

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

9. Any earnings, other than earnings referred to in paragraph 11(9)(b) of Schedule 1 (calculation of weekly income: pensioners), derived from employment which ended before the day on which the applicant first satisfies the conditions for entitlement to a reduction under an authority's scheme.

10.—(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and the applicant's net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of the applicant's earnings that falls to be disregarded under this Schedule is to be increased by £17.10.

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

- (a) the applicant, or if the applicant has a partner, either the applicant or the applicant's partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002⁽¹⁾ applies; or
- (b) the applicant—
 - (i) is, or any partner of the applicant's is, aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or
 - (ii) if the applicant is a member of a couple—
 - (aa) at least one member of that couple is engaged in remunerative work

(1) S.I. 2002/2005.

for on average not less than 16 hours per week; and

- (bb) the applicant's applicable amount includes a family premium under paragraph 3 of Schedule 2; or
- (iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or
- (iv) is, or if the applicant has a partner, one of them is, engaged in remunerative work for on average not less than 16 hours per week and paragraph 5(1) is satisfied in respect of that person.

(3) The following are the amounts referred to in subparagraph (1)—

- (a) any amount disregarded under this Schedule;
- (b) the amount of child care charges calculated as deductible under paragraph 18(1)(c) of Schedule 1 (calculation of income on a weekly basis: pensioners); and
- (c) £17.10.

(4) The provisions of regulation 10 (remunerative work) are to apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in subparagraph (1) of that regulation was a reference to 30 hours.

11. 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.

SCHEDULE 4 Regulation 32(2)

Amounts to be disregarded in the calculation of income other than earnings: pensioners

1. In addition to any sum which falls to be disregarded in accordance with paragraphs 2 to 6, £10 of any of the following—

- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 2 or 3);
- (b) a war widow's pension or war widower's pension;
- (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in

consequence of service as members of the armed forces of the Crown;

- (d) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 39(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011⁽¹⁾, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;
- (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
- (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
- (g) a pension paid 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.

2. The whole of any amount included in a pension to which paragraph 1 relates in respect of—

- (a) the applicant's need for constant attendance;
- (b) the applicant's exceptionally severe disablement.

3. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006⁽²⁾ (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983⁽³⁾ or any payment intended to compensate for the non-payment of such a supplement.

4. 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.

5. In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to surviving spouses and surviving civil partners), the

(1) S.I. 2011/517.

(2) S.I. 2006/606.

(3) S.I. 1983/686.

sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

6.—(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 31 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” (*“yr Offerynnau Dosbarthu”*) means the Order in Council of 19 December 1881, the Royal Warrant of 27 October 1884 and the Order by His Majesty of 14 January 1922 (exceptional grants of pay, non-effective pay and allowances).

7. £15 of any widowed parent’s allowance to which the applicant is entitled under section 39A of the SSCBA.

8. £15 of any widowed mother’s allowance to which the applicant is entitled under section 37 of the SSCBA.

9. Where the applicant occupies a dwelling as the applicant’s home and the applicant provides in that dwelling board and lodging accommodation, an amount, in respect of each person for whom such accommodation is provided for the whole or any part of a week, equal to—

- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20, 100 per cent of such payments; or
- (b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent of the excess over £20.

10. If the applicant—

- (a) owns the freehold or leasehold interest in any property or is a tenant of any property; and
- (b) occupies a part of that property; and
- (c) has an agreement with another person allowing that person to occupy another part of that property on payment of rent and—

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

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

- (a) that the loan was made as part of a scheme under which not less than 90 per cent of the proceeds of the loan were applied to the purchase by the person to whom it was made of an annuity ending with that person's life or with the life of the survivor of two or more persons (in this paragraph referred to as "the annuitants") who include the person to whom the loan was made;
- (b) that at the time the loan was made the person to whom it was made or each of the annuitants had attained the age of 65;
- (c) that the loan was secured on a dwelling in Great Britain and the person to whom the loan was made or one of the annuitants owns an estate or interest in that dwelling;
- (d) that the person to whom the loan was made or one of the annuitants occupies the dwelling on which it was secured as that person's or annuitant's home at the time the interest is paid; and
- (e) that the interest payable on the loan is paid by the person to whom the loan was made or by one of the annuitants,

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

- (i) where, or insofar as, section 369 of the Income and Corporation Taxes Act 1988⁽¹⁾ (mortgage interest payable under deduction of tax) applies to the payments of interest on the loan, the interest which is payable after deduction of a sum equal to income tax on such payments at the applicable percentage of income tax within the meaning of section 369(1A) of that Act;
- (ii) in any other case, the interest which is payable on the loan without deduction of such a sum.

12.—(1) Any payment, other than a payment to which sub-paragraph (2) applies, made to the applicant

(1) 1988 c.1.

by Trustees in exercise of a discretion exercisable by them.

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

- (a) obtaining food, ordinary clothing or footwear or household fuel;
- (b) the payment of rent, council tax or water charges for which that applicant or the applicant's partner is liable;
- (c) meeting housing costs of a kind specified in Schedule 2 to the State Pension Credit Regulations 2002⁽¹⁾.

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

- (a) if the payment is less than £20, the whole payment;
- (b) if, in the applicant's case, £10 is disregarded in accordance with paragraph 1(a) to (g), £10 or the whole payment if it is less than £10; or
- (c) if, in the applicant's case, £15 is disregarded under paragraph 7 or paragraph 8 and—
 - (i) the applicant has no disregard under paragraph 1(a) to (g), £5 or the whole payment if it is less than £5;
 - (ii) the applicant has a disregard under paragraph 1(a) to (g), nil.

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

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

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

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

(1) S.I. 2002/1492.

17. Any banking charges or commission payable in converting to sterling payments of income made in a currency other than sterling.

18. Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating—

- (a) under, or pursuant to regulations made under powers conferred by section 22 of the Teaching and Higher Education Act 1998⁽¹⁾, that student's award;
- (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980⁽²⁾, 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.

19.—(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 18, 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 is to be equal to—

- (a) the weekly amount of the payments; or
- (b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary,

(1) 1998 c.30.

(2) 1980 c.37.

scholarship, allowance or payment referred to in sub-paragraph (1)(b),

whichever is less.

(3) In this paragraph and paragraph 18 a reference to a “student loan” or a “grant” is a reference to a student loan or a grant within the meaning of Schedule 11.

20.—(1) Where an applicant’s applicable amount includes an amount by way of a family premium, £15 of any payment of maintenance, whether under a court order or not, which is made or due to be made by the applicant’s spouse, civil partner, former spouse or former civil partner or the applicant’s partner’s spouse, civil partner, former spouse, or former civil partner.

(2) For the purposes of sub-paragraph (1), where more than one maintenance payment falls to be taken into account in any week, all such payments are to be aggregated and treated as if they were a single payment.

21. Except in a case which falls under paragraph 10 of Schedule 3, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10.

22. Where the total value of any capital specified in Part 2 of Schedule 5 (capital disregarded only for the purposes of determining deemed income) does not exceed £10,000, any income actually derived from such capital.

23. Except in the case of income from capital specified in Part 2 of Schedule 5, any actual income from capital.

24. Where the applicant, or the person who was the partner of the applicant on 31 March 2003, was entitled on that date to income support or an income-based jobseeker’s allowance but ceased to be so entitled on or before 5 April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No 3) Regulations 1999⁽¹⁾ as in force at that date, the whole of the applicant’s income.

⁽¹⁾ S.I. 1999/2734.

SCHEDULE 5 Regulation 32(2)

Capital disregards: pensioners

PART 1

Capital to be disregarded

1. Any premises acquired for occupation by the applicant which the applicant intends to occupy as the applicant's 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.

2. Any premises which the applicant intends to occupy as the applicant's home, and in respect of which the applicant 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 the applicant 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 the applicant to obtain possession and commence occupation of those premises.

3. Any premises which the applicant intends to occupy as the applicant's home to which essential repairs or alterations are required in order to render the premises 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.

4. Any premises occupied in whole or in part—

- (a) by a person who is a relative of the applicant or the applicant's partner as that person's 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 that person's 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 the applicant had formed a civil partnership that has been dissolved.

5. 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.

6. Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home

following the applicant's estrangement or divorce from the applicant's former partner or the dissolution of a civil partnership with the applicant's former partner, that dwelling for a period of 26 weeks from the date on which the applicant 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.

7. Any premises where the applicant is taking reasonable steps to dispose of the whole of the applicant's interest in those premises, for a period of 26 weeks from the date on which the applicant first took such steps, or such longer period as is reasonable in the circumstances to enable the applicant to dispose of those premises.

8. All personal possessions.

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

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

- (a) the applicant is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
- (b) the applicant intends to become engaged (or, as the case may be, re-engaged) as a self-employed earner in that business as soon as the applicant 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 an authority's scheme is made or, if it is unreasonable to expect the applicant to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable the applicant to become so engaged or re-engaged.

11. The surrender value of any policy of life insurance.

12. The value of any funeral plan contract; and for this purpose, "funeral plan contract" ("*contract cynllum angladd*") means a contract under which—

- (a) the applicant makes one or more payments to another person ("the provider");
- (b) the provider undertakes to provide, or secure the provision of, a funeral in the United Kingdom for the applicant on the applicant's death; and

- (c) the sole purpose of the plan is to provide or secure the provision of a funeral for the applicant on the applicant's death.

13. Where an ex-gratia payment has been made by the Secretary of State on or after 1 February 2001 in consequence of the imprisonment or internment of—

- (a) the applicant;
- (b) the applicant's partner;
- (c) the applicant's deceased spouse or deceased civil partner; or
- (d) the applicant's partner's deceased spouse or deceased civil partner,

by the Japanese during the Second World War, an amount equal to that payment.

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

- (a) a diagnosed person;
- (b) a diagnosed person's partner or was a diagnosed person's partner at the time of the diagnosed person's death; or
- (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death.

(2) Where a trust payment is made to—

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

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

- (a) the diagnosed person;
- (b) a diagnosed person's partner or was a diagnosed person's partner at the date of the diagnosed person's death; or
- (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death.

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

- (a) a person referred to in sub-paragraph (3)(a) or (b), that sub-paragraph is to apply for the period beginning on the date on which the payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (3)(c), that sub-paragraph is to apply for the period beginning on the date on which the payment is made and ending two years after that date.
- (5) In this paragraph, a reference to a person—
- (a) being the diagnosed person's partner;
 - (b) acting in place of the diagnosed person's parents,

at the date of the diagnosed person's death is to include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home or an independent hospital.

(6) In this paragraph—

“diagnosed person” (*“person â diagnosis”*) means a person who has been diagnosed as suffering from, or who, after that person's death, has been diagnosed as having suffered from, variant Creutzfeldt-Jakob disease;

“relevant trust” (*“ymddiriedolaeth berthnasol”*) means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeldt-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

“trust payment” (*“taliad ymddiriedolaeth”*) means a payment under a relevant trust.

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

- (a) was a slave labourer or a forced labourer;
- (b) had suffered property loss or had suffered personal injury; or
- (c) was a parent of a child who had died,

during the Second World War.

16.—(1) Any payment made under or by—

- (a) the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, or the London Bombings Relief Charitable Fund (collectively referred to in this paragraph as “the Trusts”); or
- (b) 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 and which is made to or for the benefit of that person's partner or former partner—

- (a) from whom that person is not, or where that person has died was not, estranged or divorced, or
- (b) with whom that person has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person which derives from a payment made under or by any of the Trusts and which is made to or for the benefit of the person who is suffering from haemophilia or who is a qualifying person.

(4) Sub-paragraph (3) does not apply if—

- (a) the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced, or
- (b) where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death.

(5) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts, where—

- (a) that person has no partner or former partner from whom that person is not estranged or divorced or with whom that person has formed a civil partnership that has not been dissolved, nor any child who is or had been a member of that person's household; and
- (b) the payment is made either—
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the date of the payment is a child or a student who has not completed full-time education and has no parent or step-parent, to any person standing in the place of that child or young person's parent or that student's parent,

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

(6) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying

person, which derives from a payment under or by any of the Trusts, where—

- (a) that person at the date of that person's death ("the relevant date") had no partner or former partner from whom that person was not estranged or divorced or with whom that person had formed a civil partnership that had not been dissolved, nor any child who was or had been a member of that person's household; and
- (b) the payment is made either—
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the relevant date was a child or a student who had not completed full-time education and had no parent or step-parent, to any person standing in place of that child or young person's parent or that student's parent,

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

(7) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

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

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

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

the whole of the amount so administered.

18. Any amount specified in paragraph 19, 20, 21 or 25 for a period of one year beginning with the date of receipt.

19. Amounts paid under a policy of insurance in connection with the loss of or damage to the property

(1) S.I. 1998/3132.

occupied by the applicant as the applicant's home and to the applicant's personal possessions.

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

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

21.—(1) Subject to paragraph 22 any amount paid—

- (a) by way of arrears of benefit;
- (b) by way of compensation for the late payment of benefit;
- (c) in lieu of the payment of benefit;
- (d) to rectify, or compensate for, an official error, as defined for the purposes of paragraph 22, being an amount to which that paragraph does not apply;
- (e) by a local authority out of funds provided under either section 93 of the Local Government Act 2000⁽¹⁾ under a scheme known as "Supporting People" or section 91 of the Housing (Scotland) Act 2001⁽²⁾.

(2) In sub-paragraph (1), "benefit" ("*budd-dal*") means—

- (a) attendance allowance under section 64 of the SSCBA;
- (b) disability living allowance;
- (c) personal independence payment;
- (d) an AFIP;
- (e) income support;
- (f) income-based jobseeker's allowance;
- (g) state pension credit;
- (h) housing benefit;
- (i) council tax benefit;
- (j) child tax credit;
- (k) an increase of a disablement pension under section 104 of the SSCBA (increase where constant attendance is needed), and any further increase of such a pension under section 105 of the SSCBA (increase for exceptionally severe disablement);
- (l) any amount included on account of the applicant's exceptionally severe disablement or need for constant attendance in a war

(1) 2000 c.22.

(2) 2001 asp 10.

disablement pension or a war widow's or widower's pension;

- (m) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001⁽¹⁾;
- (n) working tax credit; or
- (o) income-related employment and support allowance.

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

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

- (a) paragraph 7(2) of Schedule 10 to the Income Support (General) Regulations 1987⁽²⁾;
- (b) paragraph 12(2) of Schedule 8 to the Jobseeker's Allowance Regulations 1996⁽³⁾;
- (c) paragraph 9(2) of Schedule 5 to the Council Tax Benefit Regulations 2006⁽⁴⁾;
- (d) paragraph 20A of Schedule 5 to the State Pension Credit Regulations 2002⁽⁵⁾;
- (e) paragraph 11(2) of Schedule 9 to the Employment and Support Allowance Regulations 2008⁽⁶⁾,

where the award in respect of which the payments last fell to be disregarded under those Regulations either terminated immediately before the relevant date or is still in existence at that date.

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

(4) In this paragraph—

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

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

(1) S.I. 2001/1167.
(2) S.I. 1987/1967.
(3) S.I. 1996/207.
(4) S.I. 2006/215.
(5) S.I. 2002/1792.
(6) S.I. 2008/794.

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

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

(ii) is the partner of that person; or

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

“official error” (*“camgymeriad swyddogol”*)—

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

(b) where the error relates to any other relevant benefit, has the meaning given by regulation 1(3) of the Social Security and Child Support (Decisions and Appeals) Regulations 1999⁽²⁾;

“relevant benefit” (*“budd-dal perthnasol”*) means any benefit specified in paragraph 21(2);

“the relevant date” (*“y dyddiad perthnasol”*) means the date on which the application for a reduction under an authority's scheme was made; and

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

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

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

25. Any arrears of supplementary pension which is disregarded under paragraph 4 of Schedule 4 (amounts to be disregarded in the calculation of income other than earnings: pensioners) or of any amount which is disregarded under paragraph 5 or 6 of that Schedule.

26. The dwelling occupied as the home; but only one dwelling is to be disregarded under this paragraph.

27. Where a person elects to be entitled to a lump sum under Schedule 5 or 5A to the SSCBA or under

(1) S.I. 2001/1002.

(2) S.I. 1999/991.

Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005⁽¹⁾, or is treated as having made such an election, and a payment has been made pursuant to that election, an amount equal to—

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

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

28. Any payments made by virtue of regulations made under—

- (a) section 57 of the Health and Social Care Act 2001⁽²⁾ (direct payments);
- (b) section 12B of the Social Work (Scotland) Act 1968⁽³⁾ (direct payments in respect of community care services); or
- (c) sections 12A to 12C of the National Health Service Act 2006 (direct payments for health care);
- (d) article 15 of the Health and Personal Social Services (Northern Ireland) Order 1972⁽⁴⁾ (general social welfare); or
- (e) section 8 of the Carers and Direct Payments Act (Northern Ireland) 2002⁽⁵⁾ (direct payments).

PART 2

Capital disregarded only for the purpose of determining deemed income

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

30. 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.

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

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

- (a) a charitable trust within the meaning of the Charities Act 2011⁽¹⁾; or

(1) S.I. 2005/454.
(2) 2001 c.15.
(3) 1968 c.49.
(4) S.I. 1972/1265 (N.I. 14).
(5) 2002 c.6.

- (b) a trust set up with any payment to which paragraph 16 applies,
and under the terms of the trust, payments fall to be made, or the trustees have a discretion to make payments, to or for the benefit of the applicant or the applicant's partner, or both, that property.

SCHEDULE 6 Regulation 33(2)

Determining eligibility for a reduction under an authority's scheme, amount of reduction and calculation of income and capital: persons who are not pensioners

PART 1

Applicable amounts for the purposes of calculating eligibility for a reduction under an authority's scheme and amount of reduction:
persons who are not pensioners

Applicable amounts: persons who are not pensioners

1.—(1) Subject to paragraphs 2 and 3, the applicable amount for a week for a person who is not a pensioner is the aggregate of such of the following amounts as may apply in the person's case—

- (a) an amount in respect of the person or, if that person is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 of Schedule 7 (personal allowances);
- (b) an amount in respect of any child or young person who is a member of the person's family, determined in accordance with paragraph 3 of Schedule 7 (child or young person amounts);
- (c) if the person is a member of a family of which at least one member is a child or young person, an amount determined in accordance with Part 2 of Schedule 7 (family premium);
- (d) the amount of any premiums which may be applicable to the person, determined in accordance with Parts 3 and 4 of Schedule 7 (premiums);
- (e) the amount of either the—
 - (i) work-related activity component; or

(1) 2011 c.25.

(ii) support component,

which may be applicable to the person in accordance with Parts 5 and 6 of that Schedule (the components);

(f) the amount of any transitional addition which may be applicable to the person in accordance with Parts 7 and 8 of Schedule 7 (transitional addition).

(2) In Schedule 7—

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

“converted employment and support allowance” (“*lwfans cyflogaeth a chymorth a droswyd*”) means an employment and support allowance which is not income-related and to which a person is entitled as a result of a conversion decision within the meaning of the Employment and Support Allowance Regulations 2008(1);

“patient” (“*claf*”) 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(2).

Polygamous marriages: persons who are not pensioners

2.—(1) This paragraph applies where an applicant who is not a pensioner is a member of a polygamous marriage and does not have (alone or jointly with a party to a marriage), an award of universal credit.

(2) The applicable amount for a week of an applicant where this paragraph applies is the aggregate of such of the following amounts as may apply in that applicant’s case—

- (a) the amount applicable to the applicant and one of the applicant’s partners determined in accordance with paragraph 1(3) of Schedule 7 (couple) as if the applicant and that partner were a couple;
- (b) an amount equal to the difference between the amounts specified in sub-paragraphs (3) and (1)(b) of paragraph 1 of Schedule 7 in respect of each of the applicant’s other partners;
- (c) an amount determined in accordance with paragraph 3 of Schedule 7 (child or young person amounts) in respect of any child or

(1) S.I. 2008/794.

(2) S.I. 2005/3360.

- young person for whom the applicant or a partner of the applicant is responsible and who is a member of the same household;
- (d) if the applicant or another partner of the polygamous marriage is responsible for a child or young person who is a member of the same household, the amount specified in Part 2 of Schedule 7 (family premium);
- (e) the amount of any premiums which may be applicable to the applicant determined in accordance with Parts 3 and 4 of Schedule 7 (premiums);
- (f) the amount of either the—
 - (i) work-related activity component; or
 - (ii) support component;
 which may be applicable to the applicant in accordance with Parts 5 and 6 of that Schedule (the components);
- (g) the amount of any transitional addition which may be applicable to the applicant in accordance with Parts 7 and 8 of that Schedule (transitional addition).

Applicable amount: persons who are not pensioners who have an award of universal credit

3.—(1) Subject to sub-paragraph (2), in determining the applicable amount for a week of an applicant who is not a pensioner—

- (a) who has, or
- (b) who (jointly with a partner) has,

an award of universal credit, the authority will use the calculation or estimate of the maximum amount of the applicant, or the applicant and the applicant's partner jointly (as the case may be), subject to the adjustment described in sub-paragraph (3).

(2) In determining the applicable amount for a week of an applicant who is a member of a polygamous marriage, the fact that two people are husband and wife is to be disregarded if—

- (a) one of them is a party to an earlier marriage that still subsists; and
- (b) the other party to that earlier marriage is living in the same household.

(3) The adjustment referred to in sub-paragraph (1) is, to multiply the maximum amount by 12 and divide the product by 52.

(4) In this paragraph “maximum amount” (“*swm uchaf*”) means the maximum amount calculated by the

PART 2

Maximum council tax reduction for the purposes of calculating eligibility for a reduction under an authority's scheme and amount of reduction

Maximum council tax reduction under an authority's scheme: persons who are not pensioners

4.—(1) Subject to sub-paragraphs (2) to (4), the amount of 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 the person is a resident and for which the person is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and

(b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under paragraph 5 (non-dependant deductions).

(2) In calculating a person's maximum council tax reduction under an authority's scheme any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act (other than a reduction under an authority's scheme), is to be taken into account.

(3) Subject to sub-paragraph (4), where an applicant is jointly and severally liable for council tax in respect of a dwelling in which the applicant is resident with one or more other persons, in determining the maximum council tax reduction in the applicant's case in accordance with sub-paragraph (1), the amount A is to be divided by the number of persons who are jointly and severally liable for that tax.

(4) Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only a partner, sub-paragraph (3) does not apply in that applicant's 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 3 of Schedule 11 (students who are excluded

(1) 2012 c.5.

from entitlement to a reduction under an authority's scheme) applies.

(6) In this paragraph "relevant financial year" (*"blwyddyn ariannol berthnasol"*) means, in relation to any particular day, the financial year within which the day in question falls.

Non-dependant deductions: persons who are not pensioners

5.—(1) Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in paragraph 4 are—

- (a) in respect of a non-dependant aged 18 or over in remunerative work, $\text{£}10.95 \times \frac{1}{7}$;
- (b) in respect of a non-dependant aged 18 or over to whom paragraph (a) does not apply, $\text{£}3.65 \times \frac{1}{7}$.

(2) In the case of a non-dependant aged 18 or over to whom sub-paragraph (1)(a) applies, where it is shown to the appropriate authority that that non-dependant's normal gross weekly income is—

- (a) less than $\text{£}186.00$, the deduction to be made under this paragraph is that specified in sub-paragraph (1)(b);
- (b) not less than $\text{£}186.00$ but less than $\text{£}322.00$, the deduction to be made under this paragraph is $\text{£}7.25 \times \frac{1}{7}$;
- (c) not less than $\text{£}322.00$ but less than $\text{£}401.00$, the deduction to be made under this paragraph is $\text{£}9.15 \times \frac{1}{7}$.

(3) Only one deduction 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.

(4) In applying the provisions of sub-paragraph (2) in the case of a couple or, as the case may be, a polygamous marriage, regard must be had, for the purpose of that sub-paragraph, to the couple's or, as the case may be, all members of the polygamous marriage's joint weekly gross income.

(5) Where in respect of a day—

- (a) a person is a resident in a dwelling but that person is not liable for council tax in respect of that dwelling and that day;
- (b) other residents in that dwelling (the liable persons) have joint and several liability for

council tax in respect of that dwelling and that day otherwise than by virtue of section 9 of the 1992 Act (liability of spouses and civil partners); and

- (c) the person to whom paragraph (a) refers is a non-dependant of two or more of the liable persons,

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

(6) No deduction is to be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or the applicant's partner is—

- (a) blind or treated as blind by virtue of paragraph 10 of Schedule 7 (additional condition for the disability premium); or
- (b) is receiving in respect of the applicant—
 - (i) attendance allowance or would be receiving that allowance but for—
 - (aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (bb) an abatement as a result of hospitalisation; or
 - (ii) the care component of the disability living allowance, or would be receiving that component but for—
 - (aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (bb) an abatement as a result of hospitalisation; or
 - (iii) the daily living component of personal independence payment or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients); or
 - (iv) an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution.

(7) No deduction is to be made in respect of a non-dependant if—

- (a) although that non-dependant resides with the applicant, it appears to the authority that that non-dependant's normal home is elsewhere; or

- (b) the non-dependant is in receipt of a training allowance paid in connection with youth training established under section 2 of the Employment and Training Act 1973⁽¹⁾ or section 2 of the Enterprise and New Towns (Scotland) Act 1990⁽²⁾; or
 - (c) the non-dependant is a full-time student within the meaning of Schedule 11 (students); or
 - (d) the non-dependant is not residing with the applicant because the non-dependant has been a patient for a period in excess of 52 weeks, and for these purposes—
 - (i) “patient” (“*claf*”) has the meaning given in regulation 24(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, that person is to be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods.
- (8) No deduction is to be made in respect of a non-dependant—
- (a) who is on income support, state pension credit, an income-based jobseeker’s allowance or an income related employment and support allowance; or
 - (b) to whom Schedule 1 to the 1992 Act applies (persons disregarded for purposes of discount); but this paragraph does not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers.
- (9) In the application of sub-paragraph (2) there is to be disregarded from the non-dependant’s weekly gross income—
- (a) any attendance allowance, disability living allowance or personal independence payment or AFIP received by the non-dependant;
 - (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 the non-dependant’s income fallen to be calculated under paragraph 17 (calculation of income other than earnings), would have been disregarded under paragraph 28 of Schedule 9 (income in kind);
 - (c) any payment which, had the non-dependant’s income fallen to be calculated under

(1) 1973 c.50.
 (2) 1990 c.35.

paragraph 17 (calculation of income other than earnings), would have been disregarded under paragraph 41 of Schedule 9 (payments made under certain trusts and certain other payments).

PART 3

Amount of reduction under an authority's scheme

Amount of reduction under an authority's scheme: Classes C and D

6.—(1) Where a person is entitled to a reduction under an authority's scheme in respect of a day, the amount of the reduction to which that person is entitled is as follows.

(2) Where the person is within class C, that amount is the amount which is the maximum council tax reduction in respect of the day in the person's case.

(3) Where the person is within class D, that amount is the amount found by deducting amount B from amount A, where "amount A" and "amount B" have the meanings given in regulation 25.

PART 4

Income and capital for the purposes of calculating eligibility for a reduction under an authority's scheme and amount of reduction

CHAPTER 1

Income and capital: general

Calculation of income and capital: applicant's family and polygamous marriages: persons who are not pensioners

7.—(1) The income and capital of—

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

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

(2) The income and capital of any partner of the applicant is to be treated as income and capital of the applicant, and in this Part any reference to the applicant applies equally to any partner of that applicant.

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

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

Circumstances in which capital and income of non dependant is to be treated as applicant's: persons who are not pensioners

8.—(1) Sub-paragraph (2) applies where it appears to an authority that a non-dependant and an applicant have entered into arrangements in order to take advantage of the authority's scheme and the non-dependant has more income and capital than the applicant.

(2) Except where the applicant is on 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 capital and income which the applicant does possess is to be disregarded.

(3) Where an applicant is treated as possessing capital and income 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.

CHAPTER 2

Income and capital where there is an award of universal credit

Calculation of income and capital: persons who are not pensioners who have an award of universal credit

9.—(1) In determining the income of an applicant—

- (a) who has, or
- (b) who (jointly with a 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 income of the applicant, or the applicant and the applicant's 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) The authority must only adjust the amount of the income as adjusted in accordance with sub-paragraph (2) so far as is necessary to take into account—

- (a) the amount of the award of universal credit determined in accordance with sub-paragraph (4);
- (b) paragraph 8 (income and capital of non-dependant to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;
- (c) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable).

(4) The amount for the award of universal credit is to be taken into account for the purposes of sub-paragraph (3)(a) is to be determined by multiplying the amount of the award of universal credit by 12 and dividing the product by 52.

(5) Paragraph 8 (income and capital of non-dependant to be treated as applicant's) applies for the purposes of determining any adjustments which fall to be made to the figure for income under sub-paragraph (3).

(6) In determining the capital of an applicant—

- (a) who has, or
- (b) who (jointly with a partner) has,

an award of universal credit, the authority must use the calculation or estimate of the capital of the applicant, or the applicant and the applicant's partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

CHAPTER 3

Income: persons who are not pensioners

Average weekly earnings of employed earners: persons who are not pensioners

10.—(1) Where the income of an applicant who is not a pensioner consists of earnings from employment as an employed earner the applicant's average weekly earnings must be estimated by reference to the applicant's 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 the applicant is paid weekly;
or
 - (ii) 2 months, if the applicant 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 the applicant's average weekly earnings to be estimated more accurately.
- (2) Where the applicant has been in employment for less than the period specified in sub-paragraph (1)(a)(i) or (ii)—
- (a) if the applicant has received any earnings for the period that the applicant has been in that employment and those earnings are likely to represent the applicant's average weekly earnings from that employment the applicant's 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⁽¹⁾.
- (3) Where the amount of an applicant's earnings changes the authority must estimate the applicant's average weekly earnings by reference to the applicant's likely earnings from the employment over such period as is appropriate in order that the applicant's 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 paragraphs 14 and 15 (earnings of employed earners).

Average weekly earnings of self-employed earners: persons who are not pensioners

11.—(1) Where the income of an applicant who is not a pensioner consists of earnings from employment as a self-employed earner that applicant's average weekly earnings must be estimated by reference to that applicant's earnings from that employment over such period as is appropriate in order that that applicant's average weekly earnings may be estimated accurately but the length of the period must not in any case exceed 52 weeks.

(2) For the purposes of this paragraph the applicant's earnings must be calculated in accordance with

(1) Powers in section 14A of the 1992 Act may be used to confer power to require employers to provide information for these purposes.

paragraphs 16, 24 and 25 (earnings and net profit of self-employed earners).

**Average weekly income other than earnings:
persons who are not pensioners**

12.—(1) The income of an applicant who is not a pensioner which does not consist of earnings must, except where sub-paragraph (2) applies, be estimated over such period as is appropriate in order that that applicant's 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 an authority to disregard any such income other than that specified in Schedule 9 (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 17 (calculation of income other than earnings).

**Calculation of weekly income of employed earners:
persons who are not pensioners**

13.—(1) For the purposes of paragraphs 10 (average weekly earnings of employed earners), 12 (average weekly income other than earnings) and 22 (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 quotient by 7.

(2) For the purposes of paragraph 11 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant is to be determined by dividing the applicant's earnings over the assessment period by the number equal to the number of days in that period and multiplying the quotient by 7.

Earnings of employed earners: persons who are not pensioners

14.—(1) Subject to sub-paragraph (2), “earnings” (“*enillion*”), in the case of employment as an employed earner of a person who is not a pensioner, 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 the applicant’s 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 the applicant’s home and place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of the applicant’s 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⁽¹⁾ (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

(1) 1996 c.18.

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 the applicant 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⁽¹⁾.

(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).

Calculation of net earnings of employed earners: persons who are not pensioners

15.—(1) For the purposes of paragraph 10 (average weekly earnings of employed earners: persons who are not pensioners), 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 the applicant's net earnings.

(2) There is to be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 18 of Schedule 8 (sums disregarded in the calculation of earnings).

(3) 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;

⁽¹⁾ S.I. 2001/1004.

- (b) one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- (c) one-half of the amount calculated in accordance with sub-paragraph (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, ordinary or additional statutory paternity pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which correspond to primary Class 1 contributions under the SSCBA.

(4) In this paragraph “qualifying contribution” (“*cyfraniad cymwys*”) means any sum which is payable periodically as a contribution towards a personal pension scheme.

(5) 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.

(6) Where the earnings of an applicant are estimated under paragraph 10 (average weekly earnings of employed earners: persons who are not pensioners), the applicant’s net earnings are to be calculated by taking into account those earnings over the assessment period, less—

- (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37 of the Income Tax Act 2007⁽¹⁾ (personal allowances) as is

(1) 2007 c.3; the heading and subsection (1) of section 35 were amended by section 4 of the Finance Act 2012 (c.14) (“2012 Act”); subsections (2) and (4) inserted by section 4 of the Finance Act 2009 (c.10). In section 36, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012

appropriate to the applicant's circumstances but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a pro rata basis;

- (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by the applicant 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.

Earnings of self-employed earners: persons who are not pensioners

16.—(1) Subject to sub-paragraph (2), “earnings” (“*enillion*”), in the case of employment as a self-employed earner of a person who is not a pensioner, means the gross income of the employment.

(2) “Earnings” does not include any payment to which paragraph 31 or 32 of Schedule 9 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
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982,

where the applicant is the first owner of the copyright, design, patent or trade mark, or an

Act; subsection (2) has also been amended by article 3 of S.I. 2012/3047, and section 4 of the Finance Act 2009. In section 37, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by article 3 of S.I. 2012/3047, and section 4 of the Finance Act 2009.

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 an authority's 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 8 (sums disregarded in the calculation of earnings) as appropriate in the applicant's case.

Calculation of income other than earnings: persons who are not pensioners

17.—(1) For the purposes of paragraph 12 (average weekly income other than earnings: persons who are not pensioners; persons who are not pensioners), the income of an applicant who is not a pensioner which does not consist of earnings to be taken into account must, subject to sub-paragraphs (2) to (6), be that applicant's gross income and any capital treated as income under paragraph 18 (capital treated as income; persons who are not pensioners).

(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 9.

(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 sub-paragraph (1) must be the gross amount payable.

(4) Where the applicant or, where the applicant is a member of a couple, the applicant's partner is receiving a 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⁽¹⁾ is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under sub-paragraph (1) is to be the

(1) 2002 c.21.

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) a relevant payment has been made to a person in an academic year; and
- (b) that person abandons, or is dismissed from, that person's course of study before the payment to that person of the final instalment of the relevant payment.

(7) 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 (6) applies, is to be calculated by applying the formula—

$$(A - (B \times C)) / D$$

where—

A = the total amount of the relevant payment which that person would have received had that person remained a student until the last day of the academic term in which that person abandoned, or was dismissed from, the course, less any deduction under paragraph 9(5) of Schedule 11 (costs of travel, books and equipment);

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, the course;

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 9(2) of Schedule 11 (treatment of student loans) had the person not abandoned or been dismissed from, the course and, in the case of a person who was not entitled to a reduction under an authority's scheme immediately before that person abandoned or was dismissed from the course, had that person, at that time, been entitled to housing benefit;

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 9(5) of Schedule 11.

(9) In this paragraph—

“academic year” (“*blwyddyn academaidd*”) and “student loan” (“*benthyciad myfyriwr*”) have the same meanings as in Schedule 11 (students);

“assessment period” (“*cyfnod asesu*”) 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, the 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, the 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” (“*chwarter*”) in relation to an assessment period means a period in that year beginning on—

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

“relevant payment” (“*taliad perthnasol*”) means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 4(7) of Schedule 11 or both.

(10) For the avoidance of doubt there must be included as income to be taken into account under subparagraph (1)—

- (a) any payment to which paragraph 14(2) (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⁽¹⁾ 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 the applicant's dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

Capital treated as income: persons who are not pensioners

18.—(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 paragraphs 26 to 33 of this Schedule exceeds £16,000, be treated as income.

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

(3) Any earnings to the extent that they are not a payment of income is to be treated as income.

(4) Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 is to be treated as income.

(5) 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.

Notional income: persons who are not pensioners

19.—(1) An applicant who is not a pensioner is to be treated as possessing income of which that applicant has deprived himself or herself for the purpose of securing entitlement to a reduction 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

(1) 1999 c.33.

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 48(2)(a) of Schedule 10 (capital to be disregarded) applies which is administered in the way referred to in paragraph 48(1)(a) of that Schedule;
- (e) any sum to which paragraph 49(a) of Schedule 10 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 the applicant, 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 in 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 that single applicant 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 Trusts, 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⁽¹⁾ (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) of the Jobseeker's Allowance Regulations 1996⁽²⁾;
 - (ii) in a training scheme specified in regulation 75(1)(b) of those Regulations; or
 - (iii) in a qualifying course within the meaning specified in regulation 17A(7) 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⁽³⁾;
 - (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 that person's family does not possess, or is not treated as possessing, any other income apart from that payment.

(1) 1994 c.21.
(2) S.I. 1996/207.
(3) 1980 c.46.

(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 1 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 1 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 that person 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 the applicant 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; 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" (*"lleoliad gwaith"*) 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 that applicant 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 that applicant does possess except that paragraph 15(3) (calculation of net earnings of employed earners: persons who are not pensioners) does not apply and that applicant's net earnings are to be calculated by taking into account those earnings which that applicant 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 the applicant's circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a pro rata basis;
- (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by the applicant 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.

CHAPTER 5

Income: persons who are not pensioners

Calculation of income on a weekly basis

20.—(1) Subject to paragraph 23 (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 the applicant's average weekly income in accordance with this Part;

- (b) by adding to that amount the weekly income calculated under paragraph 33 (tariff income); and
 - (c) by then deducting any relevant child care charges to which paragraph 21 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in sub-paragraph (2) are met, from those earnings plus whichever credit specified in paragraph (b) of that sub-paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in sub-paragraph (3) applies in the applicant's case.
- (2) The conditions of this paragraph are that—
- (a) the applicant's earnings which form part of the applicant's average weekly income are less than the lower of either the applicant's relevant child care charges or whichever of the deductions specified in paragraph (3) otherwise applies in the applicant's case; and
 - (b) that applicant or, if the applicant is a member of a couple either the applicant or the applicant's partner, is in receipt of either working tax credit or child tax credit.
- (3) The maximum deduction to which paragraph (1)(c) above refers is to be—
- (a) where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175 per week;
 - (b) where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300 per week.

Treatment of child care charges

21.—(1) This paragraph applies where an applicant (within the meaning of this paragraph) is incurring relevant child care charges and—

- (a) is a lone parent and is engaged in remunerative work;
- (b) is a member of a couple both of whom are engaged in remunerative work; or
- (c) is a member of a couple where one member is engaged in remunerative work and the other—
 - (i) is incapacitated;
 - (ii) is an in-patient in hospital; or
 - (iii) is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).

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

- (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⁽¹⁾; 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⁽²⁾.

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

- (a) the first day of the period in respect of which the person was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
- (b) the first day of the period in respect of which earnings are credited,

as the case may be.

(4) In a case to which sub-paragraph (2)(d) or (e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.

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

(1) S.I. 1987/1967.

(2) S.I. 1975/556.

period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child'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 regulation 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⁽¹⁾; or
- (c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010⁽²⁾; 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⁽³⁾; or
- (e) by—

⁽¹⁾ S.I. 1999/3110.

⁽²⁾ 2010 nawm 1.

⁽³⁾ 2010/2839 (W.233).

(i) persons registered under section 59(1) of the Public Services Reform (Scotland) Act 2010⁽¹⁾; 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⁽²⁾ 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 section 18(5) of that Act; or

(k) by a foster parent or kinship carer under the Fostering Services (England) Regulations 2011⁽³⁾, the Fostering Services (Wales) Regulations 2003⁽⁴⁾ or the Looked After Children (Scotland) Regulations 2009⁽⁵⁾ in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or

(l) by a domiciliary care worker under the Domiciliary Care Agencies (Wales) Regulations 2004⁽⁶⁾; 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” (“*y dydd Llun cyntaf ym Medi*”) means the Monday which first occurs in the month of September in any year.

(1) 2010 asp 8.

(2) 2006 c.21.

(3) S.I. 2011/581.

(4) S.I. 2003/237 (W.35).

(5) S.I. 2009/210.

(6) S.I. 2004/219 (W.23).

(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's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of the other member's having limited capability for work;
- (b) the applicant's applicable amount would include a disability premium 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) the applicant 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) the applicant 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 the other member one or more of the following pensions or allowances—

- (i) long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the SSCBA;
- (ii) attendance allowance under section 64 of the SSCBA;
- (iii) severe disablement allowance under section 68 of the SSCBA;
- (iv) disability living allowance under section 71 of the SSCBA;
- (v) personal independence payment under Part 4 of the Welfare Reform Act 2012;
- (vi) an AFIP;
- (vii) increase of disablement pension under section 104 of the SSCBA;
- (viii) a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under sub-paragraph (ii), (iv), (v) or (vii) above;
- (ix) main phase employment and support allowance;
- (g) a pension or allowance to which sub-paragraph (vi) or (vii) of paragraph (f) refers was payable on account of the other member's incapacity but has ceased to be payable in consequence of that other member becoming a patient, which in this paragraph means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005⁽¹⁾;
- (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);

(1) S.I. 2005/3360.

- (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 the other member if the legislative provisions referred to in those paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or
- (l) the other member has an invalid carriage or other vehicle provided to the other member by the Secretary of State 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⁽¹⁾, 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 provided by the Welsh Ministers under section 5 of, and Schedule 1 to the National Health Service (Wales) Act 2006.

(12) For the purposes of sub-paragraph (11), once sub-paragraph (11)(d) applies to the applicant, if the applicant then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph is, on the applicant again becoming so incapable, or so treated as incapable, of work at the end of that period, to immediately thereafter apply to the applicant for so long as the applicant 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 applicant, if the applicant then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that sub-paragraph is, on the applicant again having, or being treated as having limited capability for work at the end of that period, immediately thereafter to apply to the applicant for so long as the applicant 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 that person is a person—

- (a) to whom an attendance allowance or the care component of disability allowance is payable or would be payable but for—

(1) 1978 c.29.

- (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 that person 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⁽¹⁾;
- (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; or
- (e) to whom AFIP is payable.

(15) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave or adoption leave is to be treated as if 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 or adoption leave began the person was in remunerative work;
- (b) the person is incurring relevant child care charges within the meaning of sub-paragraph (5); and
- (c) the person 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 virtue 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 leave, paternity leave or adoption leave commences and ends on—

- (a) the date that leave ends;

(1) 1994 c.39.

- (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 child care element of the working tax credit ends,

whichever occurs first.

(17) In sub-paragraphs (15) and (16)—

- (a) “qualifying support” (“*cymhorthdal cymwys*”) 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” (“*elfen gofal plant*”) of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act 2002 (child care element).

(18) In this paragraph “applicant” (“*ceisydd*”) does not include an applicant—

- (a) who has, or
- (b) who (jointly with a partner) has,

an award of universal credit.

Calculations of average weekly income from tax credits

22.—(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 must be the period set out in sub-paragraph (3).

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

- (a) a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;
- (b) a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;
- (c) a two weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;

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

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

Disregard of changes in tax, contributions etc

23. In calculating the applicant’s income an 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.

Calculation of net profit of self-employed earners

24.—(1) For the purposes of paragraph 11 (average weekly earnings of self-employed earners) 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 that person’s 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, that person’s 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 25 (calculation of 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 who is not a pensioner 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⁽¹⁾, that person's 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 25 (calculation of 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 who is not a pensioner, any sum, where applicable, specified in paragraphs 1 to 16 of Schedule 8 (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 25 (calculation of 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 sub-paragraph (1)(b) the net profit of the employment is to be calculated by taking into account the earnings of the employment over the assessment period less, subject to sub-paragraphs (5) to (8), any expenses wholly and exclusively incurred in that period for the purposes of the employment.

⁽¹⁾ S.I. 1975/529.

(5) Subject to sub-paragraph (6), no deduction is to be made under 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 payable under an insurance policy for its repair.

(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-paragraph (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 paid over value added tax received in the assessment period;
 - (ii) any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
 - (iii) any payment of interest on a loan taken out for the purposes of the employment.

(9) Where an applicant is engaged in employment as a child minder the net profit of the employment is to be one-third of the earnings of that employment, less—

- (a) an amount in respect of—

- (i) income tax; and
- (ii) social security contributions payable under the SSCBA,

calculated in accordance with paragraph 25 (calculation of 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 the applicant is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of the applicant's employments must not be offset against the applicant's earnings in any other of the applicant's 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” (*“premiwm cymwys”*) 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.

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

25.—(1) The amount to be deducted in respect of income tax under paragraph 24(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 section 35 to 37 of the Income Tax Act

2007(1) (personal allowances) as is appropriate to the applicant's 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 24(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" ("*incwm trethadwy*") 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 24;
- (b) in the case of employment as a child minder, one-third of the earnings of that employment.

(1) 2007 c.3; the heading and subsection (1) of section 35 were amended by section 4 of the Finance Act 2012 (c.14) ("2012 Act"); subsections (2) and (4) were inserted by section 4 of the Finance Act 2009 (c.10). In section 36, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by article 3 of S.I. 2012/3047, and section 4 of the Finance Act 2009. In section 37, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by article 3 of S.I. 2012/3047, and section 4 of the Finance Act 2009.

CHAPTER 3

Capital: persons who are not pensioners

Calculation of capital: persons who are not pensioners

26.—(1) The capital of an applicant to be taken into account must be, subject to sub-paragraph (2), the whole of the applicant's capital calculated in accordance with this Part and any income treated as capital under paragraph 27 (income treated as capital: persons who are not pensioners).

(2) There must be disregarded from the calculation of an applicant's capital under sub-paragraph (1), any capital, where applicable, specified in Schedule 10 in relation to persons who are not pensioners.

(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.

Income treated as capital: persons who are not pensioners

27.—(1) This paragraph applies in relation to persons who are not pensioners.

(2) Any bounty derived from employment to which paragraph 9 of Schedule 8 (sums disregarded in the calculation of earnings), applies and paid at intervals of at least one year is to be treated as capital.

(3) 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.

(4) Any holiday pay which is not earnings under paragraph 14 (earnings of employed earners) is to be treated as capital.

(5) Except any income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17, 30 to 33, 48 or 49 of Schedule 10 (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.

(6) 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.

(7) 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.

(8) 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.

(9) Any arrears of subsistence allowance which are paid to an applicant as a lump sum must be treated as capital.

(10) Any arrears of working tax credit or child tax credit must be treated as capital.

**Calculation of capital in the United Kingdom:
persons who are not pensioners**

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

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

**Calculation of capital outside the United Kingdom:
persons who are not pensioners**

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

- (a) in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value;
- (b) in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer,

less, where there would be expenses attributable to sale, 10 per cent and the amount of any encumbrances secured on it.

Notional capital: persons who are not pensioners

30.—(1) An applicant is to be treated as possessing capital of which the applicant has deprived himself or herself 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 31 (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 10; 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 48(2)(a) of Schedule 10 (capital disregards) applies which is administered in the way referred to in paragraph 48(1)(a) of that Schedule; or
- (f) any sum to which paragraph 49(a) of Schedule 10 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 the applicant, 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 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 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 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 the single applicant 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 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) of the Jobseeker's Allowance Regulations 1996;
 - (ii) in a training scheme specified in regulation 75(1)(b) of those Regulations; or
 - (iii) in a qualifying course within the meaning specified in regulation 17A(7) 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 the Employment, Skills and Enterprise Scheme;
- (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 (i) and any member of that person's family does not possess, or is not treated as possessing, any other income apart from that payment.

(5) 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, the applicant may be treated as if the applicant were such sole owner or partner and in such a case—

- (a) the value of the applicant's holding in that company must, notwithstanding paragraph 26 (calculation of capital) be disregarded; and

- (b) the applicant must, subject to sub-paragraph (6), be treated as possessing an amount of capital equal to the value or, as the case may be, the applicant's share of the value of the capital of that company and the foregoing provisions of this Chapter apply for the purposes of calculating that amount as if it were actual capital which the applicant does possess.

(6) For so long as the applicant undertakes activities in the course of the business of the company, the amount which the applicant is treated as possessing under sub-paragraph (5) is to be disregarded.

(7) Where an applicant is treated as possessing capital under any of sub-paragraphs (1), (2) or (3) the foregoing provisions of this Chapter apply for the purposes of calculating its amount as if it were actual capital which the applicant does possess.

Diminishing notional capital rule: persons who are not pensioners

31.—(1) Where an applicant who is not a pensioner is treated as possessing capital under paragraph 30(1) (notional capital), the amount which the applicant is treated as possessing—

- (a) in the case of a week that is subsequent to—
 - (i) the relevant week in respect of which the conditions set out in sub-paragraph (2) are satisfied; or
 - (ii) a week which follows that relevant week and which satisfies those conditions,

is to be reduced by an amount determined under sub-paragraph (3);

- (b) in the case of a week in respect of which sub-paragraph (1)(a) does not apply but where—
 - (i) that week is a week subsequent to the relevant week; and
 - (ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied,

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

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

- (a) the applicant is in receipt of a reduction in council tax under an authority's scheme; and
- (b) but for paragraph 30(1) the applicant would have received a greater reduction in council tax under an authority's scheme in that week.

(3) In a case to which sub-paragraph (2) applies, the amount of the reduction in the amount of capital the

applicant 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 the applicant 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⁽¹⁾ (notional capital);
- (c) where the applicant has also claimed income support, the amount of income support to which the applicant 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 the applicant 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⁽²⁾ (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 the applicant 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⁽³⁾ (notional capital).

(4) 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 30(1).

(5) In such a case the amount of the reduction in the amount of capital the applicant is treated as possessing must be equal to the aggregate of—

(1) S.I. 2006/213.
(2) S.I. 1996/207.
(3) S.I. 2008/794.

- (a) the amount of council tax benefit to which the applicant would have been entitled in the relevant week but for paragraph 30(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 the applicant would have been entitled; or
 - (ii) in any other case, the amount equal to the additional amount of housing benefit to which the applicant 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 the applicant 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 the applicant 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 the applicant would have been entitled.
- (6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) ("the relevant amount") is in respect of a part-week, the amount that is to be taken into account under that paragraph is to be determined by—
- (a) dividing the relevant amount by the number equal to the number of days in that part-week, and
 - (b) multiplying the result of that calculation by 7.

(7) 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) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words “relevant week” there were substituted the words “relevant subsequent week”; and
- (b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.

(8) The conditions are that—

- (a) a further application is made 26 or more weeks after—
 - (i) the date on which the applicant made an application for a reduction in council tax in respect of which the applicant was first treated as possessing the capital in question under paragraph 30(1);
 - (ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (7), the date on which the applicant 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 the applicant last ceased to be entitled to a reduction in council tax,

whichever last occurred; and

- (b) the applicant would have been entitled to a reduction in council tax under an authority’s scheme but for paragraph 30(1).

(9) 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.

(10) For the purposes of this paragraph—

“part-week” (*“rhan-wythnos”*)—

- (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 an authority’s scheme is allowed;
- (b) in relation to an amount mentioned in sub-paragraph (5)(b), means a period of less than a week for which housing benefit is payable;
- (c) in relation to an amount mentioned in sub-paragraph (5)(c), (d) or (e), means—

- (i) a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
- (ii) any other period of less than a week for which it is payable;

“relevant week” (“*wythnos berthnasol*”) means the reduction week or part-week in which the capital in question of which the applicant has deprived himself or herself within the meaning of paragraph 30(1)—

- (a) was first taken into account for the purpose of determining the applicant's entitlement to a reduction; or
- (b) was taken into account on a subsequent occasion for the purpose of determining or re-determining the applicant's entitlement to a reduction on that subsequent occasion and that determination or redetermination resulted in the applicant beginning to receive, or ceasing to receive, a reduction,

and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

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

Capital jointly held: persons who are not pensioners

32. Except where an applicant possesses capital which is disregarded under paragraph 30(5) (notional capital), where an applicant and one or more persons are beneficially entitled in possession to any capital asset they must be treated, in the absence of evidence to the contrary, as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Chapter apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess.

Calculation of tariff income: persons who are not pensioners

33. The capital of an applicant who is not a pensioner, calculated in accordance with this Schedule, is to be treated as if it were a weekly income of—

- (a) £1 for each complete £250 in excess of £6,000 but not exceeding £16,000;
- (b) £1 for any excess which is not a complete £250.

PART 5

Extended reductions: persons who are not pensioners

Extended reductions: persons who are not pensioners

34.—(1) An applicant who is entitled to a reduction under an authority's scheme (by virtue of falling within class C or D) is to be 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 are to 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 an authority's scheme by virtue of falling within class C or D where—

- (a) the applicant ceased to be entitled to a reduction under an authority's scheme because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying 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.

Duration of extended reduction: persons who are not pensioners

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

(2) 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.

Amount of extended reduction: persons who are not pensioners

36.—(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 greater of the amount of the reduction under an authority's scheme to which—

- (a) the applicant was entitled by virtue of falling within class C or D 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 applicant would be entitled by virtue of falling within class C or D for any reduction week during the extended reduction period, if paragraph 34 (extended reductions: persons who are not pensioners) did not apply to the applicant; or
 - (c) the applicant's partner would be entitled by virtue of falling within class C or D, if paragraph 34 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 an authority's scheme, no amount of reduction under an authority's scheme is to be awarded by the authority during the extended reduction period.

Extended reductions-movers: persons who are not pensioners

37.—(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 the authority's ("the first authority") scheme to which the mover would have been entitled had the mover, or the mover's 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 (qualifying contributory benefits) may take the form of a payment from the first authority to—

- (a) the second authority; or
- (b) the mover directly.

Relationship between extended reduction and entitlement to reduction by virtue of falling within class C or D

38.—(1) Where an applicant's reduction under an authority's scheme would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 34(1)(b), that entitlement does not cease until the end of the extended reduction period.

(2) Paragraphs 45 and 46 (period of entitlement and change of circumstances) do not apply to any extended reduction payable in accordance with paragraph

36(1)(a) or 37(2) (amount of extended reduction-movers: persons who are not pensioners).

Extended reductions (qualifying contributory benefits): persons who are not pensioners

39.—(1) An applicant who is entitled to a reduction under an authority's scheme (by virtue of falling within class C or D) will be 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 an authority's scheme by virtue of falling within class C or D where—

- (a) the applicant ceased to be entitled to a reduction under an authority's scheme because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

Duration of extended reduction period (qualifying contributory benefits): persons who are not pensioners

40.—(1) Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the day immediately following the day on which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

(2) The extended reduction period ends—

- (a) at the end of a period of four weeks; or
- (b) 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.

Amount of extended reduction (qualifying contributory benefits): persons who are not pensioners

41.—(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 an authority's scheme—

- (a) to which the applicant was entitled by virtue of falling within class C or D in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
- (b) to which the applicant would be entitled by virtue of falling within class C or D for any reduction week during the extended reduction period, if paragraph 39 (extended reductions (qualifying contributory benefits): persons who are not pensioners) did not apply to the applicant; or
- (c) to which the applicant's partner would be entitled by virtue of falling within class C or D, if paragraph 39 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 an authority's scheme, no amount of reduction under an authority's scheme is to be awarded by the authority during the extended reduction period.

Extended reductions (qualifying contributory benefits)-movers: persons who are not pensioners

42.—(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 benefits) 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 the authority's (the first authority's) 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 billing authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from the first authority to—

- (a) that second authority; or
- (b) the mover directly.

Relationship between extended reduction (qualifying contributory benefits) and entitlement to reduction by virtue of falling within class C or D

43.—(1) Where an applicant's reduction under an authority's scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 39(1)(b), that reduction does not cease until the end of the extended reduction period.

(2) Paragraphs 45 and 46 (period of entitlement and change of circumstances) do not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraphs 41(1)(a) or 42(2) (amount of extended reduction-movers: persons who are not pensioners).

Extended reductions: movers into the authority's area: persons who are not pensioners

44.—(1) Where—

- (a) an application is made to an 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 Wales;
 - (ii) a billing authority in England;
 - (iii) a local authority in Scotland; or
 - (iv) a local authority in Northern Ireland,

the authority must reduce any reduction to which the applicant is entitled under its scheme by the amount of that extended reduction.

(2) For the purposes of this paragraph “billing authority” (“*awdurdod bilio*”) means a billing authority as defined in section 1 of the 1992 Act.

PART 6

Period of entitlement and change of circumstances

Date on which entitlement begins: persons who are not pensioners

45. Any person by whom or in respect of whom an application for a reduction under an authority’s scheme is made and who is otherwise entitled to that reduction is to be so entitled from the date on which the application is treated as made in accordance with paragraph 2 of Schedule 13.

Date on which change of circumstances is to take effect: persons who are not pensioners

46.—(1) Except in cases where paragraph 23 (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 an authority’s scheme (“change of circumstances”), takes effect from the first day 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 will be 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 12 of that Act, it is to take effect from the day on which the change in amount has effect.

(5) Where the change of circumstances is the applicant’s acquisition of a partner, the change takes effect on the day on which the acquisition takes place.

(6) Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.

(7) 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 is to take effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of an authority's scheme.

(8) Without prejudice to sub-paragraph (7), 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 an authority's scheme.

SCHEDULE 7 Regulation 33(2)

Applicable amounts: persons who are not pensioners

PART 1

Personal allowances

1. The amounts specified in column (2) below in respect of each person or couple specified in column (1) are to be the amounts specified for the purposes of paragraphs 1(1)(a) and 2(2)(a) and (b) of Schedule 6.

Column (1) Person or couple	Column (2) Amount
(1) A single applicant who —	
(a) is entitled to main phase employment and support allowance;	£71.70;
(b) is aged not less than 25;	£71.70;
(c) is aged not less than 18 but less than 25.	£56.80.
(2) Lone parent.	£71.70.

(3) Couple.	£112.55.

2. For the purposes of paragraph 1, an applicant is entitled to main phase employment and support allowance if—

- (a) paragraph 18 is satisfied in relation to the applicant; or
- (b) the applicant is entitled to a converted employment and support allowance.

3.—(1) The amounts specified in column (2) below in respect of each person specified in column (1) are, for the relevant period specified in column (1), be the amounts specified for the purposes of paragraphs 1(1)(b) and 2(2)(c) of Schedule 6—

Column (1) Child or Young person	Column (2) Amount
Person in respect of the period—	
(a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	£65.62;
(b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	£65.62.

(2) In column (1) of the table in sub-paragraph (1), “the first Monday in September” (“*y dydd Llun cyntaf ym Medi*”) means the Monday which first occurs in the month of September in any year.

PART 2

Family premium

4.—(1) The amount for the purposes of paragraphs 1(1)(c) and (2)(d) of Schedule 6 in respect of a family

of which at least one member is a child or young person is to be—

- (a) where the applicant is a lone parent to whom sub-paragraph (2) applies, £22.20;
- (b) in any other case, £17.40.

(2) The amount in sub-paragraph (1)(a) is to be applicable to a lone parent—

- (a) who was entitled to council tax benefit on 5 April 1998 and whose applicable amount on that date included the amount applicable under paragraph 3(1) of Schedule 1 to the Council Tax Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006⁽¹⁾ as in force on that date; or
- (b) on becoming entitled to council tax benefit where that lone parent—
 - (i) had been treated as entitled to that benefit in accordance with sub-paragraph (3) as at the day before the date of claim for that benefit; and
 - (ii) was entitled to housing benefit as at the date of claim for council tax benefit or would have been entitled to housing benefit as at that date had that day not fallen during a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006⁽²⁾,

and in respect of whom, all of the conditions specified in sub-paragraph (3) have continued to apply.

(3) The conditions specified for the purposes of sub-paragraph (2) are that, in respect of the period commencing on 6 April 1998—

- (a) the applicant has not ceased to be entitled, or has not ceased to be treated as entitled, to—
 - (i) council tax benefit (in relation to the period prior to 1 April 2013), and
 - (ii) a reduction under an authority's scheme (in relation to the period commencing on 1 April 2013);
- (b) the applicant has not ceased to be a lone parent;
- (c) where the applicant was entitled to income support or to an income-based jobseeker's allowance on 5 April 1998, the applicant has continuously, since that date, been entitled to income support, an income-based jobseeker's allowance or income-related employment and

⁽¹⁾ S.I. 2006/216.

⁽²⁾ S.I. 2006/213.

- support allowance or a combination of those benefits;
- (d) where the applicant was not entitled to income support or to an income-based jobseeker's allowance on 5 April 1998, the applicant has not become entitled to income support, an income-based jobseeker's allowance or an income-related employment and support allowance; and
 - (e) a premium under paragraph 9, or a component under paragraph 21 or 22, has not become applicable to the applicant.
- (4) For the purposes of sub-paragraphs (2)(b)(i) and (3)(a), an applicant is to be treated as entitled to council tax benefit during any period where the applicant was not, or had ceased to be, so entitled and—
- (a) throughout that period, the applicant had been awarded housing benefit and the applicant's applicable amount included the amount applicable under paragraph 3(1)(a) of Schedule 3 to the Housing Benefit Regulations 2006 (lone parent rate of family premium); or
 - (b) the applicant would have been awarded housing benefit during that period had that period not been a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006 and the applicant's applicable amount throughout that period would have included the amount applicable under paragraph 3(1)(a) of Schedule 3 to those Regulations.

PART 3

Premiums

5. Except as provided in paragraph 6, the premiums specified in Part 4 are, for the purposes of paragraphs 1(1)(d) and 2(e) of Schedule 6, to be applicable to an applicant who satisfies the condition specified in paragraphs 9 to 14 in respect of that premium.

6. Subject to paragraph 7, where an applicant satisfies the conditions in respect of more than one premium in this Part of this Schedule, only one premium is to be applicable to the applicant and, if they are different amounts, the higher or highest amount is to apply.

7. The following premiums, namely—

- (a) a severe disability premium to which paragraph 11 applies;
- (b) an enhanced disability premium to which paragraph 12 applies;

- (c) a disabled child premium to which paragraph 13 applies; and
- (d) a carer premium to which paragraph 14 applies,

may be applicable in addition to any other premium which may apply under this Schedule.

8.—(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for—

- (a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979⁽¹⁾ applies, any period during which, apart from the provisions of those Regulations, that person would be in receipt of that benefit; and
- (b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State or the Welsh Ministers under section 2 of the Employment and Training Act 1973⁽²⁾ or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990⁽³⁾ or for any period during which that person is in receipt of a training allowance.

(2) For the purposes of the carer premium under paragraph 14, a person is to be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA or the daily living component of personal independence payment payable under Part 4 of the Welfare Reform Act 2012, or AFIP.

Disability premium

9. The condition is that—

- (a) where the applicant is a single applicant or a lone parent, the applicant has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10 is satisfied; or
- (b) where the applicant has a partner, either—

(1) S.I. 1979/597.
 (2) 1973 c.50.
 (3) 1990 c.35.

- (i) the applicant has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10(1)(a) or (b) is satisfied by the applicant; or
- (ii) the applicant's partner has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10(1)(a) is satisfied by the applicant's partner.

Additional condition for the disability premium

10.—(1) Subject to sub-paragraph (2) and paragraph 8, the additional condition referred to in paragraph 9 is that either—

- (a) the applicant or, as the case may be, the applicant's partner—
 - (i) is in receipt of one or more of the following benefits: attendance allowance, disability living allowance, personal independence payment, 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⁽¹⁾, 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 the applicant; 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 to 1 April 2013), or
 - (bb) a reduction under an authority's scheme (in relation to the period commencing 1 April 2013), and
 if the long-term incapacity benefit was payable to the applicant's 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

⁽¹⁾ S.I. 2002/2005.

- accordance with regulations made under section 113(2) of the SSCBA or otherwise abated as a consequence of the applicant or the applicant's partner becoming a patient within the meaning of paragraph 21(11)(i) of Schedule 6 (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 21 of Schedule 6 (treatment of child care charges); or
 - (v) was in receipt of 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) is provided with an invalid carriage or other vehicle by the Secretary of State or a clinical commissioning group under paragraph 9 of Schedule 1 to the National Health Service Act 2006⁽¹⁾ or, in Scotland, under section 46 of the National Health Service (Scotland) Act 1978⁽²⁾ (provision of services by Scottish Ministers) or, in Wales, under section 5 of, and Schedule 1 to the National Health Service (Wales) Act 2006⁽³⁾ or, in Northern Ireland, is provided with an invalid carriage or other vehicle by the Department of Health, Social Services and Public Safety under article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972, or receives payments by way of grant from the Secretary of State under paragraph 10(3) of Schedule 1 to the Act of 2006⁽⁴⁾ (provision of vehicles for disabled persons) or, in Scotland by the Scottish Ministers under section 46 of the Act of 1978; or
 - (vii) is blind and in consequence registered in a register compiled by a local authority under section 29 of the National

(1) 2006 c.41.

(2) 1978 c.29.

(3) 2006 c.42.

(4) Sub-paragraph (3) was amended by section 17 of the Health and Social Care Act 2012 (c.7).

Assistance Act 1948⁽¹⁾ (welfare services) or, in Scotland, has been certified as blind and in consequence the applicant is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994⁽²⁾; or

(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.

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

(3) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of the applicant's satisfying the additional condition specified in that provision, if the applicant then ceases, for a period of 8 weeks or less, to be treated as incapable of work or to be incapable of work the applicant is, on again becoming so incapable of work, to immediately thereafter be treated as satisfying the condition in sub-paragraph (1)(b).

(4) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of the applicant satisfying the additional condition specified in that provision, the applicant is to continue to be treated as satisfying that condition for any period spent by the applicant 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 the applicant is in receipt of a training allowance.

(5) 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.

(1) 1948 c.29.

(2) 1994 c.39.

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

(7) 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⁽¹⁾ 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 sub-paragraph (3); and
- (b) the reference to a period of 56 days in sub-paragraph (5),

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

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

Severe disability premium

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

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

- (a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3)—
 - (i) 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 AFIP; and
 - (ii) subject to sub-paragraph (4), the applicant has no non-dependants aged 18 or over normally residing with the

⁽¹⁾ S.I. 1995/311.

- applicant with whom the applicant 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 the applicant;
- (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 AFIP; and
 - (ii) the applicant's partner is also in receipt of such an allowance or, if the applicant is a member of a polygamous marriage, all the members 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 the applicant or with whom the applicant 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 member of a couple or, in the case of a polygamous marriage, for one or more but not all the members of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance in respect of caring for either member of a couple or any member 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 10(1)(a)(vii) and (2), that partner is to be treated for the purposes of sub-paragraph (2)(b)(ii) as if that person 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 at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or AFIP; or

- (b) a person who is blind or is treated as blind within the meaning of paragraph 10(1)(a)(vii) 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 AFIP, if that person would, but for that person's 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 that person would, but for the person for whom that person 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 are to 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⁽¹⁾ (loss of benefit provisions).

Enhanced disability premium

12.—(1) 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, 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

⁽¹⁾ 2001 c.11.

- (c) the daily living component of personal independence payment is, or would be payable at the enhanced rate prescribed in accordance with section 78(2) 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: or

- (d) AFIP is payable 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 child or young 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 21(11)(g) of Schedule 6 (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 21(11)(g) of Schedule 6 and has been for a period of more than 52 weeks.

Disabled child premium

13. The condition is that a child or young person for whom the applicant or a partner of the applicant 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 the child or young person 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 10; 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; or
- (d) is in receipt of AFIP.

Carer premium

14.—(1) The condition is that the applicant or the applicant's partner is, or both of them are, entitled to a carer's allowance under section 70 of the SSCBA.

(2) Where a carer premium is awarded but—

- (a) the person in respect of whose care the carer's allowance has been awarded dies; or
- (b) in any other case the person in respect of whom a carer premium has been awarded ceases to be entitled to a carer's allowance,

the condition for the award of the premium is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

(3) The relevant date for the purposes of sub-paragraph (2) is to be—

- (a) where sub-paragraph (2)(a) applies, the Sunday following the death of the person in respect of whose care a carer's allowance has been awarded or the date of death if the death occurred on a Sunday;
- (b) in any other case, the date on which the person who has been entitled to a carer's allowance ceases to be entitled to that allowance.

(4) Where a person who has been entitled to a carer's allowance ceases to be entitled to that allowance and makes an application for a reduction, the condition for the award of the carer premium is to be treated as satisfied for a period of eight weeks from the date on which—

- (a) the person in respect of whose care the carer's allowance has been awarded dies;
- (b) in any other case, the person who has been entitled to a carer's allowance ceased to be entitled to that allowance.

Persons in receipt of concessionary payments

15. For the purpose of determining whether a premium is applicable to a person under paragraphs 10 to 14, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

Persons in receipt of benefit for another

16. For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of that person and is to be so regarded only for any period in respect of which that benefit is paid.

PART 4

Amounts of premiums specified in Part 3

Premium	Amount
17.—(1) Disability Premium—	
(a) where the applicant satisfies the condition in paragraph 9(a);	£31.00;
(b) where the applicant satisfies the condition in paragraph 9(b)	£44.20.
(2) Severe Disability Premium—	
(a) where the applicant satisfies the condition in paragraph 11(2)(a);	£59.50;
(b) where the applicant satisfies the condition in paragraph 11(2)(b)—	
(i) in a case where there is someone in receipt of a carer's allowance or if that	£59.50;

person or any partner satisfies that condition only by virtue of paragraph 11(5);	
(ii) in a case where there is no-one in receipt of such an allowance.	£119.00.
(3) Disabled Child Premium.	£57.89 in respect of each child or young person in respect of whom the condition specified in paragraph 13 of Part 3 is satisfied.
(4) Carer Premium.	£33.30 in respect of each person who satisfies the condition specified in paragraph 14.
(5) Enhanced Disability Premium.	
	(a) £23.45 in respect of each child or young person in respect of whom the conditions specified in paragraph 12 are satisfied;
	(b) £15.15 in respect of each person who is neither—
	(i) a child or young person; nor
	(ii) member of a couple or a polygamous marriage; in respect of whom the conditions specified in paragraph 12 are satisfied;
	(c) £21.75 where the applicant is a member of a couple or a

	polygamous marriage and the conditions specified in paragraph 12 are satisfied in respect of a member of that couple or polygamous marriage.

PART 5

The components

18. Subject to paragraph 20 the applicant is entitled to one, but not both, of the components in paragraph 21 or 22 if—

- (a) the applicant or the applicant's partner has made a claim for employment and support allowance;
- (b) the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work or limited capability for work-related activity; and
- (c) either—
 - (i) the assessment phase as defined in section 24(2) of the Welfare Reform Act 2007⁽¹⁾ has ended; or
 - (ii) regulation 7 of the Employment and Support Allowance Regulations 2008⁽²⁾ (circumstances where the condition that the assessment phase has ended before entitlement to the support component or the work related activity component arises does not apply) applies.

19. Subject to paragraph 20, the applicant is entitled to one, but not both, of the components in paragraphs 21 and 22 if the applicant or the applicant's partner is entitled to a converted employment and support allowance.

20.—(1) The applicant has no entitlement under paragraph 21 or 22 if the applicant is entitled to the disability premium under paragraphs 9 and 10.

(2) Where the applicant and the applicant's partner each satisfy paragraph 21 or 22, the component to be included in the applicant's applicable amount is that which relates to the applicant.

(1) 2007 c.5.

(2) S.I. 2008/794.

The work-related activity component

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

The support component

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

PART 6

Amount of components

23. The amount of the work-related activity component is £28.45.

24. The amount of the support component is £34.80.

PART 7

Transitional addition

25.—(1) The applicant is entitled to the transitional addition calculated in accordance with paragraph 28 where the applicant or the applicant's partner ("the relevant person")—

- (a) is entitled to a converted employment and support allowance; or
- (b) is appealing a conversion decision as described in regulation 5(2)(b) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No 2) Regulations 2010⁽¹⁾ and—
 - (i) is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations 2008 as modified by the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No 2) Regulations 2010; and
 - (ii) is not in receipt of an income-related employment and support allowance,

⁽¹⁾ S.I. 2010/1907.

unless the amount of the transitional addition calculated in accordance with paragraph 28 would be nil.

(2) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following—

- (a) the reduction of the transitional addition to nil in accordance with paragraph 29;
- (b) the termination of the applicant's award of reduction under an authority's scheme;
- (c) the relevant person ceasing to meet the requirements of sub-paragraph (1)(a) or (b), as the case may be;
- (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
- (e) 5 April 2020.

26.—(1) This paragraph applies where—

- (a) the applicant's entitlement to a transitional addition, ends by virtue of the termination of the applicant's award of reduction, under—
 - (i) paragraph 25(2)(b);
 - (ii) sub-paragraph (3)(b) of this paragraph; or
 - (iii) paragraph 27(3)(b);
- (b) within 12 weeks of that termination but before 5 April 2020 the applicant again becomes entitled to a reduction under an authority's scheme;
- (c) in the reduction week in which the applicant again becomes entitled to a reduction under an authority's scheme the relevant person is entitled to an employment and support allowance which is not income related; and
- (d) at the date on which the applicant again becomes entitled to a reduction under an authority's scheme, neither the applicant nor the applicant's partner is entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support.

(2) Where this paragraph applies, the applicant is entitled, with effect from the day on which the applicant again becomes entitled to a reduction under an authority's scheme, to a transitional addition of the amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph 29), unless the amount of the transitional addition would be nil.

(3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following—

- (a) the reduction of the transitional addition to nil in accordance with paragraph 29;
- (b) the termination of the applicant's award of a reduction under an authority's scheme;
- (c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(c);
- (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
- (e) 5 April 2020.

27.—(1) This paragraph applies where—

- (a) the applicant's entitlement to a transitional addition ends, by virtue of the relevant person ceasing to be entitled to an employment and support allowance, under—
 - (i) paragraph 25(2)(c);
 - (ii) paragraph 26(3)(c); or
 - (iii) sub-paragraph (3)(c);
- (b) before 5 April 2020 the relevant person again becomes entitled to an employment and support allowance which is not income-related;
- (c) at the date on which the relevant person again becomes entitled to an employment and support allowance which is not income-related, regulation 145(1) of the Employment and Support Allowance Regulations 2008 applies to the relevant person; and
- (d) at the date on which the relevant person again becomes entitled to an employment and support allowance which is not income-related, neither the applicant nor the applicant's partner is entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support.

(2) Where this paragraph applies, the applicant is entitled, with effect from the day that the relevant person's entitlement to employment and support allowance takes effect for the purposes of a reduction under an authority's scheme, to a transitional addition of the amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph

29), unless the amount of the transitional addition would be nil.

(3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following—

- (a) the reduction of the transitional addition to nil in accordance with paragraph 29;
- (b) the termination of the applicant's award of a reduction under an authority's scheme;
- (c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(b);
- (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
- (e) 5 April 2020.

PART 8

Amount of transitional addition

28.—(1) Subject to paragraph 29, the amount of the transitional addition is the amount by which Amount A exceeds Amount B.

(2) Where a conversion decision as described in regulation 5(2)(a) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No. 2) Regulations 2010 ("the 2010 Regulations") is made in respect of the relevant person—

- (a) Amount A is the basic amount that would have applied on the day that decision took effect had that decision not been made; and
- (b) Amount B is the basic amount that applied on that day as a result of that decision.

(3) Where the relevant person is appealing a conversion decision as described in regulation 5(2)(b) of the 2010 Regulations and is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations 2008 as modified by the 2010 Regulations—

- (a) Amount A is the basic amount that would have applied on the day the relevant person was first treated as having limited capability for work if the relevant person had not been so treated; and
- (b) Amount B is the basic amount that applied on that day as a result of the relevant person being so treated.

(4) In this paragraph and paragraph 29, “basic amount” (“*swm sylfaenol*”) means the aggregate of such amounts as may apply in the applicant’s case in accordance with paragraph 1(1)(a) to (e) or paragraph (2)(2)(a) to (f) of Schedule 6.

29.—(1) Subject to sub-paragraph (2), where there is a change of circumstances which leads to an increase in the applicant’s basic amount, the transitional addition that applies immediately before the change of circumstances is to be reduced by the amount by which Amount C exceeds Amount D.

(2) If Amount C exceeds Amount D by more than the amount of the transitional addition that applies immediately before the change of circumstances, that transitional addition is to be reduced to nil.

(3) Amount C is the basic amount that applies as a result of the increase.

(4) Amount D is the basic amount that applied immediately before the increase.

SCHEDULE 8 Regulation 33(2)

Sums disregarded in the calculation of earnings: persons who are not pensioners

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 the applicant is entitled to a retirement pension under the SSCBA, or is not so entitled solely because of the applicant’s failure to satisfy the contribution conditions,

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 an authority’s 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 14(1)(e) of Schedule 6 to these Regulations, or

- (bb) section 28, 64 or 68 of the Employment Rights Act 1996⁽¹⁾ (guarantee payments, suspension from work on medical or maternity grounds); and
- (ii) any award, sum or payment of the nature described in—
 - (aa) paragraph 14(1)(g) or (i) of Schedule 6 to these Regulations, 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 an authority's 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)(i) or (ii)(bb) or paragraph 14(1)(j) of Schedule 6.

2. In the case of an applicant who, before the first day of entitlement to a reduction under an authority's 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
- (b) 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);
- (ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 14(1)(j) of Schedule 6.

(1) 1996 c.18.

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 the applicant's employment, any earnings derived from that employment except earnings to which paragraph 16(3) of Schedule 6 (earnings of self-employed earners) apply.

4.—(1) In a case to which this paragraph applies and paragraph 5 does not apply, £20; but notwithstanding paragraph 7 of Schedule 6 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant it is not to apply to the applicant's partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £20.

(2) This paragraph applies where the applicant's applicable amount includes an amount by way of the disability premium, severe disability premium, work-related activity component or support component under Schedule 7 (applicable amounts: persons who are not pensioners).

(3) This paragraph applies where—

- (a) the applicant is a member of a couple and the applicant's applicable amount includes an amount by way of the disability premium under Schedule 7; and
- (b) the applicant or the applicant's partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.

5. In a case where the applicant is a lone parent, £25.

6.—(1) In a case to which neither paragraph 4 nor paragraph 5 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium under Schedule 7 (applicable amounts: persons who are not pensioners), £20 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with paragraph 14(2) of that Schedule as being in receipt of carer's allowance.

(2) Where the carer premium is awarded in respect of the applicant and of any partner of the applicant's, their earnings are for the purposes of this paragraph to be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) is not to exceed £20 of the aggregated amount.

7. Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £20, but is not awarded in

respect of the other member of the couple, and that other member is engaged in an employment—

- (a) specified in paragraph 9(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 6 exceed £20;
- (b) other than one specified in paragraph 9(1), so much of the other member's earnings from such other employment up to £10 as would not when aggregated with the amount disregarded under paragraph 6 exceed £20.

8. In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant and the applicant is one of a couple and a member of that couple is in employment, £10; but, notwithstanding paragraph 7 of Schedule 6 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it is not to apply to the applicant's partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £10.

9.—(1) In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant, £20 of earnings derived from one or more employments as—

- (a) a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004⁽¹⁾ or a scheme to which section 4 of that Act applies;
- (b) a part-time fire-fighter employed by the Scottish Fire and Rescue Service⁽²⁾;
- (c) an auxiliary coastguard in respect of coast rescue activities;
- (d) a person engaged part-time in the manning or launching of a life boat;
- (e) a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001⁽³⁾;

but, notwithstanding paragraph 7 of Schedule 6 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it is not to apply to that applicant's partner except to the extent specified in sub-paragraph (2).

(2) If the applicant's partner is engaged in employment—

(1) 2004 c.21.
(2) Section 1A of the Fire (Scotland) Act 2005 (asp 5) refers. Section 1A was inserted by section 101 of the Police and Fire Reform (Scotland) Act 2012 (asp 8).
(3) S.I. 2001/1004.

- (a) specified in sub-paragraph (1), so much of the applicant's partner's earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £20;
- (b) other than one specified in sub-paragraph (1), so much of the applicant's partner's earnings from that employment up to £10 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £20.

10. Where the applicant is engaged in one or more employments specified in paragraph 9(1), but the applicant's earnings derived from such employments are less than £20 in any week and the applicant is also engaged in any other employment, so much of the applicant's earnings from that other employment, up to £5 if the applicant is a single applicant, or up to £10 if the applicant has a partner, as would not in aggregate with the amount of the applicant's earnings disregarded under paragraph 9 exceed £20.

11. In a case to which none of the paragraphs 4 to 10 applies, £5.

12.—(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 14 does not apply,

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

(2) Where this paragraph applies, paragraphs 4 to 11 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 5, then paragraph 5 applies instead of this paragraph.

(3) Notwithstanding paragraph 7 of Schedule 6 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ("A") it is not to 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 is also to be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.

- (5) This sub-paragraph applies to a person who is—
- (a) in receipt of a contributory employment and support allowance;
 - (b) in receipt of incapacity benefit;
 - (c) in receipt of severe disablement allowance; 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” (“*gwaith esempt*”) means work of the kind described in—

- (a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008⁽¹⁾; or (as the case may be)
- (b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995⁽²⁾,

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 that person’s 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).

13. Any amount or the balance of any amount which would fall to be disregarded under paragraph 23 or 24 of Schedule 9 had the applicant’s income which does not consist of earnings been sufficient to entitle the applicant to the full disregard thereunder.

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

15. 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.

16. 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.

(1) S.I. 2008/794.

(2) S.I. 1995/311.

17. Any earnings of a child or young person.

18.—(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and the applicant's net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of the applicant's earnings that falls to be disregarded under paragraphs 4 to 12, is to be increased by £17.10.

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

- (a) the applicant, or if the applicant is a member of a couple, either the applicant or the applicant's partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002⁽¹⁾ applies; or
- (b) the applicant—
 - (i) is, or if the applicant is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or
 - (ii) is a member of a couple and—
 - (aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and
 - (bb) the applicant's applicable amount includes a family premium under paragraph 4 of Schedule 7; or
 - (iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or
 - (iv) is, or if the applicant is a member of a couple, at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week, and—
 - (aa) the applicant's applicable amount includes a disability premium under paragraph 9, the work related activity component under paragraph 23 or the support component under paragraph 22 of Schedule 7 respectively;
 - (bb) where the applicant is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or either of the components referred to in

⁽¹⁾ S.I. 2002/2005.

paragraph (aa) and is engaged in remunerative work for on average not less than 16 hours per week.

(3) The following are the amounts referred to in subparagraph (1)—

- (a) the amount calculated as disregardable from the applicant's earnings under paragraphs 4 to 12;
- (b) the amount of child care charges calculated as deductible under paragraph 20(1)(c) of Schedule 6 (calculation of income on a weekly basis: persons who are not pensioners); and
- (c) £17.10.

(4) The provisions of regulation 10 (remunerative work) are to apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in paragraph (1) of that regulation were a reference to 30 hours.

19. In this Schedule “part-time employment” (“*cyflogaeth ran-amser*”) means employment in which the person is engaged on average for less than 16 hours a week.

SCHEDULE 9 Regulation 33(2)

Sums disregarded in the calculation of income other than earnings: persons who are not pensioners

1. Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by the applicant in respect of the applicant's 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 the applicant in respect of the applicant's participation in the Mandatory Work Activity Scheme.

3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by the applicant in respect of the applicant's 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 17 of Schedule 6 (calculation of income other than earnings).

5. Any payment in respect of any expenses incurred or to be incurred by an applicant who is—

- (a) engaged by a charitable or voluntary organisation, or
- (b) a volunteer,

if that applicant otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under paragraph 19(5) of Schedule 6 (notional income: persons who are not pensioners).

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 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. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of the applicant's income.

9. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and the applicant's partner is on an income-based jobseeker's allowance, the whole of the applicant's income.

10. Where the applicant, or the person who was the partner of the applicant on 31 March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5 April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No 3) Regulations 1999⁽¹⁾ as in force at that date, the whole of the applicant's income.

11. Any disability living allowance, personal independence payment, or AFIP.

12. 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.

13. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006⁽²⁾ (including such a supplement by virtue of any other scheme or

(1) S.I. 1999/2734.

(2) S.I. 2006/206

order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983⁽¹⁾ or any payment intended to compensate for the non-payment of such a supplement.

14. Any attendance allowance.

15. 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⁽²⁾ (payment of school expenses; grant of scholarships etc);
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980⁽³⁾ (power to assist persons to take advantage of educational facilities);
 - (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⁽⁴⁾;
- (b) corresponding to such an education maintenance allowance, made pursuant to—
 - (i) section 14 or section 181 of the Education Act 2002⁽⁵⁾ (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 and Wales, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

(2) Any payment, other than a payment to which subparagraph (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

(1) S.I. 1983/686.
(2) 1996 c.56.
(3) 1980 c.44.
(4) 1992 c.37.
(5) 2002 c.32.

- (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 2003⁽¹⁾.

18.—(1) Any payment made pursuant to section 2 of the Employment and Training Act 1973⁽²⁾ or section 2 of the Enterprise and New Towns (Scotland) Act 1990⁽³⁾ 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 the applicant enhance the applicant's employment prospects unless the payment is a Career Development Loan paid pursuant 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 the applicant's 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 voluntary payment;

(1) S.I. 2003/1917.
(2) 1973 c.50.
(3) 1990 c.35.

- (c) a payment (not falling within paragraph (a) or (b)) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
- (d) 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

- (e) a payment (not falling within paragraphs (a) to (d)) 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) is not to 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. Subject to paragraph 40, £10 of any of the following, namely—

- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 13 or 14);
- (b) a war widow's pension or war widower's pension;
- (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
- (d) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 39(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011⁽¹⁾, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;

⁽¹⁾ S.I. 2011/517.

- (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
- (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
- (g) 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 32 of Schedule 6 (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 10.

(2) Income derived from capital disregarded under paragraphs 5, 7 or 30 to 33 of Schedule 10 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” (*“taliadau dŵr”*) in regulation 2(1) 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 that person's 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 section 22 of the Teaching and Higher Education Act 1998⁽¹⁾, that student's award;

(1) 1998 c.30.

- (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980⁽¹⁾, 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 is to be equal to—

- (a) the weekly amount of the payments; or
- (b) 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.

26. Where the applicant occupies a dwelling as the applicant's 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 that person's family—

(1) 1980 c.44.

- (a) 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 that person's family, or by that person and a member of that person's 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.

27. Where the applicant occupies a dwelling as the applicant's home and the applicant 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 per cent 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 paragraph 17(10)(b) of Schedule 6 (provision of support under section 95 or 98 of the Immigration and Asylum Act 1999⁽¹⁾) in the calculation of income other than earnings) applies.

(2) The reference in sub-paragraph (1) to "income in kind" (*"incwm mewn nwyddau neu wasanaethau"*) 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 the applicant's family—

- (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002⁽²⁾ or in accordance with a scheme approved by the Scottish Ministers under section 71 of the Adoption and Children (Scotland) Act 2007⁽³⁾ (adoption allowances schemes);
- (b) which is a payment made by a local authority in pursuance of section 15(1) of, and

(1) 1999 c.33.
 (2) 2002 c.38.
 (3) 2007 asp 4.

paragraph 15 of Schedule 1 to, the Children Act 1989⁽¹⁾ (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⁽²⁾ (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⁽³⁾, 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 subparagraph (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 an 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⁽⁴⁾ (manner of provision of accommodation to child looked after by local authority), or
 - (iii) regulation 33 or 51 of the Looked After Children (Scotland) Regulations 2009⁽⁵⁾ (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 the applicant's partner for a person ("the person concerned"), who is not normally a member of the applicant's household but is temporarily in the applicant's care, by—

- (a) a health authority;

(1) 1989 c.41.
 (2) 1975 c.72.
 (3) S.I. 1995/755.
 (4) 1995 c.36.
 (5) S.I. 2009/210.

- (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⁽¹⁾;
- (e) a primary care trust established under section 16A of the National Health Service Act 1977⁽²⁾ or established by an order made under section 18(2)(c) of the National Health Service Act 2006⁽³⁾; or
- (f) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006⁽⁴⁾.

33. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989⁽⁵⁾ 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 the applicant's home; or
- (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974⁽⁶⁾ or under a hire-purchase agreement or a conditional sale agreement as defined for

(1) 1948 c.29.
 (2) 1977 c.49.
 (3) 2006 c.41.
 (4) 2006 c.42.
 (5) 1989 c.49.
 (6) 1974 c.39.

the purposes of Part 3 of the Hire-Purchase Act 1964⁽¹⁾.

(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 the applicant's 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 27 of Schedule 6 (income treated as capital: persons who are not pensioners) 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 the applicant is a member of a family, the family's income and the income of any person which that applicant is treated as possessing under paragraph 7(3) of Schedule 6 (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 5(2)(b) and paragraph 6(1)(d) of Schedule 11 (calculation of covenant income where a contribution is assessed, covenant income where no grant income or no contribution is assessed), paragraph 9(2) of Schedule 11 (treatment of student loans), paragraph 11(3) of Schedule 11 (treatment of payments from access funds) and

⁽¹⁾ 1964 c.53.

paragraphs 20 and 21, is in no case to 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 that person is not, or where that person has died was not, estranged or divorced or with whom that person 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 that person is not estranged or divorced or with whom that person 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 full-time education and that person has no parent or step-parent, to that person's 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 that person's death (the relevant date) had no partner or former partner from whom that person was not estranged or divorced or with whom that person has formed a civil partnership that has not been dissolved, nor any child or young person who was 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 relevant date was a child, a young person or a student who had not completed full-time education and that person had no parent or step-parent, to that person's 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 is to 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 13A(1)(c) 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⁽¹⁾ (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⁽²⁾ (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⁽³⁾ (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⁽⁴⁾ 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 an applicant's applicable amount includes an amount by way of family premium, £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.

(1) S.I. 2003/2382.
(2) S.I. 2007/1104.
(3) S.I. 2003/460.
(4) 1988 c.7.

(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 are to be aggregated and treated as if they were a single payment.

(3) A payment made by the Secretary of State in lieu of maintenance is, for the purpose of sub-paragraph (1), to be treated as a payment of maintenance made by a person specified in sub-paragraph (1).

50.—(1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect 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.

(2) In sub-paragraph (1)—

“child maintenance” (“*cynhالياeth plant*”) 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⁽¹⁾;
- (b) the Child Support (Northern Ireland) Order 1991⁽²⁾;
- (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” (“*perthynas atebol*”) means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987⁽³⁾, 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⁽⁴⁾ 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 dependant in respect of whom the increase is paid is not a member of the applicant's family.

(1) 1991 c.48.
(2) S.I. 1991/2628.
(3) S.I. 1987/1967.
(4) 1944 c.10.

(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⁽¹⁾, any increase in the rate of that pension or allowance under that Order, where the dependant 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⁽²⁾ (pensions to surviving spouses and surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

56.—(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 31 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” (*“yr Offerynnau Dosbarthu”*) means the Order in Council of 19 December 1881, the Royal Warrant of 27 October 1884 and the Order by His Majesty of 14 January 1922 (exceptional grants of pay, non-effective pay and allowances).

57. Any reduction under an authority's scheme to which the applicant is entitled.

58. Except in a case which falls under sub-paragraph (1) of paragraph 18 of Schedule 8, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10.

(1) S.I. 2006/606.
(2) S.I. 1983/686.

59. Any payment made under section 12B of the Social Work (Scotland) Act 1968⁽¹⁾, 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⁽²⁾ (direct payments).

60.—(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) is to apply only in respect of payments which are paid to that person from the special account.

61.—(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 the applicant's 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" ("*bwyd*") 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.

62. 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 that person, less 50p, that excess amount.

63. 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.

64. Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001⁽³⁾.

(1) 1968 c.49.

(2) 2001 c.15.

(3) S.I. 2001/1167.

65. Any payment made by a local authority or by the Welsh Ministers, to or on behalf of the applicant or the applicant's partner relating to a service which is provided to develop or sustain the capacity of the applicant or the applicant's partner to live independently in the applicant's accommodation.

66. Any payment of child benefit.

SCHEDULE 10 Regulation 33(2)

Capital disregards: persons who are not pensioners

1. Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by the applicant in respect of the applicant's participation in the Work for Your Benefit Pilot 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 the applicant in respect of the applicant's 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 the applicant in respect of the applicant's participation in the Employment, Skills and Enterprise Scheme 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 the applicant's home including any premises not so occupied which it is impracticable or unreasonable to sell separately, but, notwithstanding paragraph 7 of Schedule 6 (calculation of income and capital of members of applicant's family and of a polygamous marriage), only one dwelling is to be disregarded under this paragraph.

5. Any premises acquired for occupation by the applicant which the applicant intends to occupy as the applicant's 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 the applicant's 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 that person's 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 that person's home; but this provision is not to apply where the former partner is a person from whom the applicant is estranged or divorced or with whom the applicant had formed a civil partnership that has been dissolved.

8. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of the applicant's capital.

9. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and the applicant's partner is on income-based jobseeker's allowance, the whole of the applicant's capital.

10. 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 the applicant is engaged as a self-employed earner, or if the applicant 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) the applicant is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
- (b) the applicant intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as the applicant 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 an authority's scheme is made, or is treated as made, or, if it is unreasonable to expect the applicant to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable the applicant 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.

(4) 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 9;
- (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⁽¹⁾;
- (e) working tax credit and child tax credit;
- (f) an income-related employment and support allowance,

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⁽²⁾; and
- (b) received by the applicant in full on or after 14 October 2001,

sub-paragraph (1) is to have 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 an authority's 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 an authority's

(1) S.I. 2001/1167.

(2) S.I. 2001/1002.

scheme” (“*cyfnod dyfarniad o ostyngiad o dan gynllun awdurdod*”) 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 that person’s 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⁽¹⁾ 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 the applicant’s capital in order to secure entitlement to a reduction under an authority’s 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 annuity.

(1) 1985 c.69.

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 the applicant 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 the applicant's 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 15 of Schedule 8 or paragraph 29 of Schedule 9.

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⁽¹⁾ or, as the case may be, section 12 of the Social Work (Scotland) Act 1968⁽²⁾ or

(1) 1989 c.41.

(2) 1968 c.49.

sections 22, 29 or 30 of the Children (Scotland) Act 1995⁽¹⁾ (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⁽²⁾ (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 18 of Schedule 6 (capital treated as income) or paragraph 9 of Schedule 11 (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, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund.

(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 that person is not, or where that person has died was not, estranged or divorced or

(1) 1995 c.36.

(2) 1988 c.1.

with whom that person 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 that person is not estranged or divorced or with whom that person 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 full-time education and has no parent or step-parent, to that child or young person's guardian or that student's 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 that person's death (the relevant date) had no partner or former partner from whom that person was not estranged or divorced or with whom that person had formed a civil partnership that had not been dissolved, nor any child or young person who was 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 relevant date was a child, a young person or a student who had not completed full-time education and had no parent or step-parent, to that child or young person's guardian or that student's 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 capital resource 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 is to 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.

30.—(1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following the applicant's estrangement or divorce from, or dissolution of the applicant's civil partnership with, the applicant's former partner, that dwelling for a period of 26 weeks from the date on which the applicant 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" ("*anneddŵ*") includes any garage, garden and outbuildings, which were formerly occupied by the applicant as the applicant's 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 the applicant first took such steps, or such longer period as is reasonable in the circumstances to enable the applicant to dispose of those premises.

32. Any premises which the applicant intends to occupy as the applicant's home, and in respect of which the applicant 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 the applicant 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 the applicant to obtain possession and commence occupation of those premises.

33. Any premises which the applicant intends to occupy as the applicant's 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⁽¹⁾ or section 2 of the Enterprise and New Towns (Scotland) Act 1990⁽²⁾, 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 13 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.

(1) 1973 c.50.

(2) 1990 c.35.

41. Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988⁽¹⁾ or section 66 of the Housing (Scotland) Act 1988⁽²⁾ (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 the applicant's home; or
- (b) to carry out repairs or alterations which are required to render premises fit for occupation as the applicant's home,

for a period of 26 weeks from the date on which the applicant 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 the applicant's home.

42. Any arrears of supplementary pension which is disregarded under paragraph 53 of Schedule 9 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 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⁽³⁾ (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⁽⁴⁾ (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⁽⁵⁾ (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

(1) 1988 c.50.
(2) 1988 c.43.
(3) S.I. 2003/2382.
(4) S.I. 2007/1104.
(5) S.I. 2003/460.

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⁽¹⁾ 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 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.

46. 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⁽²⁾ to assist disabled persons to obtain or retain employment despite their disability.

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

48.—(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⁽⁴⁾ 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.

49. Any sum of capital administered on behalf of a person in accordance with an order made under section

(1) 1988 c.7.
(2) 1944 c.10.
(3) 1958 c.33.
(4) S.I. 1998/3132.

13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Act of Sederunt (Sheriff Court Ordinary Cause Rules) 1993⁽¹⁾ or under Rule 128 of those Rules, where such sum derives 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.

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

51. 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.

52.—(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 the applicant's 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" ("*bwyd*") 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.

53.—(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⁽²⁾;
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980⁽³⁾;
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further

(1) S.I. 1993/1956.

(2) 1996 c.56.

(3) 1980 c.44.

and Higher Education (Scotland) Act 1992⁽¹⁾;

- (b) corresponding to such an education maintenance allowance, made pursuant to—
 - (i) section 14 or section 181 of the Education Act 2002⁽²⁾ (power of Secretary of State and 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 and Wales, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

(2) Any payment, other than a payment to which subparagraph (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 subparagraph (1).

54. 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.

55. 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.

56. Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1 February 2001 in consequence of the imprisonment or interment of—

- (a) the applicant;
- (b) the applicant's partner;
- (c) the applicant's deceased spouse or deceased civil partner; or

(1) 1992 c.37.
(2) 2002 c.32.

- (d) the applicant's partner's deceased spouse or deceased civil partner,

by the Japanese during the Second World War, £10,000.

57.—(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 that person's partner) or a person who was a member of the diagnosed person's family (other than that person's 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 is to apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
- (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph is to apply 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 is to apply 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 that person's partner) or a person who was a member of the diagnosed person's family (other than that person's 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 is to apply 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 is to apply for the period beginning on the date on which that payment is made and ending two years after that date; or
- (c) a person referred to in sub-paragraph (3)(c), that sub-paragraph is to apply 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 is to include 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” (“*person à diagnosis*”) means a person who has been diagnosed as suffering from, or who, after that person's death, has been

diagnosed as having suffered from, variant Creutzfeld-Jakob disease;

“relevant trust” (“*ymddiriedolaeth berthnasol*”) 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 Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

“trust payment” (“*taliad ymddiriedolaeth*”) means a payment under a relevant trust.

58. 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.

59. Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or the applicant’s partner relating to a service which is provided to develop or sustain the capacity of the applicant or the applicant’s partner to live independently in the applicant’s accommodation.

60. Any payment made under regulations made under section 57 of the Health and Social Care Act 2001⁽¹⁾, or under section 12B of the Social Work (Scotland) Act 1968⁽²⁾, or under sections 12A to 12D of the National Health Service Act 2006⁽³⁾ (direct payments for health care).

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

62. Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

(1) 2001 c.15.
(2) 1968 c.49.
(3) 2006 c.41.
(4) 2002 c.38.

SCHEDULE 11 Regulation 31(3)

Students

PART 1

General

Interpretation

1.—(1) In this Schedule—

“academic year” (“*blwyddyn academaidd*”) means the period of twelve months beginning on 1 January, 1 April, 1 July or 1 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” (“*cronfeydd mynediad*”) means—

- (a) grants made under section 68 of the Further and Higher Education Act 1992⁽¹⁾ 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⁽²⁾;
- (c) grants made under article 30 of the Education and Libraries (Northern Ireland) Order 1993⁽³⁾ or grants, loans or other payments made under article 5 of the Further Education (Northern Ireland) Order 1997⁽⁴⁾ 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 in relation to England or the Welsh Ministers in relation to Wales under section 14 of the Education Act 2002⁽⁵⁾ or the Chief Executive of Skills Funding under sections 100 and 101 of the Apprenticeships, Skills, Children and Learning Act 2009⁽⁶⁾; or

(1) 1992 c.13.
(2) 1980 c.20.
(3) S.I. 1993/2810.
(4) S.I. 1997/1772.
(5) 2002 c.32.
(6) 2009 c.22.

(e) Financial Contingency Funds made available by the Welsh Ministers;

“college of further education” (“*coleg addysg bellach*”) means a college of further education within the meaning of Part 1 of the Further and Higher Education (Scotland) Act 1992⁽¹⁾;

“contribution” (“*cyfraniad*”) means—

(a) any contribution in respect of the income of a student or any person which the Secretary of State, the Welsh Ministers, 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 take 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 that person were the spouse or civil partner of that parent; or

(iv) the holder’s spouse or civil partner;

“course of study” (“*cwrs astudio*”) 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” (“*incwm cyfamod*”) means the gross income payable to a full-time student under a Deed of Covenant by that student’s parent;

“education authority” (“*awdurdod addysg*”) means a government department, a local authority as defined in section 579 of the Education Act 1996⁽²⁾ (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973⁽³⁾, an education and library board established under article 3 of the Education and Libraries (Northern Ireland) Order 1986⁽⁴⁾, any body which is a research council for the purposes of the Science and Technology Act 1965⁽⁵⁾ or any analogous government department, department, authority, board or body, of the

(1) 1992 c.37.

(2) 1996 c.56.

(3) 1973 c.65.

(4) S.I. 1986/594 (N.I. 3).

(5) 1965 c.4.

Channel Islands, Isle of Man or any other country outside Great Britain;

“full-time course of study” (“*cwrs astudio amser llawn*”) means a full-time course of study which—

- (a) is not funded in whole or in part by the Secretary of State in relation to England or the Welsh Ministers in relation to Wales under section 14 of the Education Act 2002, or the Chief Executive of Skills Funding, 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 in relation to England or the Welsh Ministers in relation to Wales under section 14 of the Education Act 2002, or the Chief Executive of Skills Funding 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 under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student’s learning agreement signed on behalf of the establishment which is funded by either of those persons for the delivery of that course; 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 the Welsh Ministers 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” (“*myfyriwr amser llawn*”) means a person attending or undertaking a full-time course of study and includes a student on a sandwich course;

“grant” (“*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 9 or paragraph 53 of Schedule 10 applies;

“grant income” (“*incwm grant*”) means—

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

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

“last day of the course” (“*diwrnod olaf y cwrs*”) 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;
- (b) 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” (“*cyfnod astudio*”) 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 the student’s studying throughout the year or, if the student does not have a grant or loan, where a loan would have been assessed at such a rate had the student had one; or
 - (ii) in any other case, the day before the start of the normal summer vacation appropriate to the student’s 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" (*"cyfnodau o brofiad"*) means periods of work experience which form part of a sandwich course;

"qualifying course" (*"cwrs cymwys"*) means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker's Allowance Regulations 1996⁽¹⁾;

"sandwich course" (*"cwrs rhyngosod"*) has the meaning prescribed in regulation 2(10) of the Education (Student Support) Regulations 2011⁽²⁾, regulation 2(6) of the Education (Student Support) (Wales) Regulations 2012⁽³⁾, regulation 4(2) of the Education (Student Loans) (Scotland) Regulations 2007⁽⁴⁾ or regulation 2(10) of the Education (Student Support) (No. 2) Regulations (Northern Ireland) 2009⁽⁵⁾, as the case may be;

"standard maintenance grant" (*"grant cynhالياeth safonol"*) means—

- (a) except where 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⁽⁶⁾ ("the 2003 Regulations") for such a student;
- (b) except where paragraph (c) applies, in the case of a student residing at that student's parent's home, the amount specified in paragraph 3 of Schedule 2 to the 2003 Regulations;
- (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

(1) S.I. 1996/207.
 (2) S.I. 2011/1986.
 (3) S.I. 2012/3097 (W.313).
 (4) S.S.I. 2007/154.
 (5) S.R. 2009/373.
 (6) S.I. 2003/1994; relevant amending instrument is S.I. 2008/1477.

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 the amounts specified in sub-paragraph (2)(a) or (b) thereof;

“student” (“*myfyriwr*”) 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” (“*benthyciad myfyriwr*”) means a loan towards a student’s maintenance pursuant to any regulations made under section 22 of the Teaching and Higher Education Act 1998⁽¹⁾, section 73 of the Education (Scotland) Act 1980 or article 3 of the Education (Student Support) (Northern Ireland) Order 1998⁽²⁾ and includes, in Scotland, a young student’s bursary paid under regulation 4(1)(c) of the Students’ Allowances (Scotland) Regulations 2007⁽³⁾.

(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 the person 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 the person finally abandons the course or is dismissed from it;
- (b) in any other case, throughout the period beginning on the date on which the person starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as the person 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—

(1) 1998 c.30.
(2) S.I. 1998/1760 (N.I. 14).
(3) S.S.I. 2007/153.

- (a) where a person has failed examinations or has failed to successfully complete a module relating to a period when the person was attending or undertaking a part of the course as a full-time course of study, any period in respect of which the person 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 the person is required to attend or undertake the course.

(4) In sub-paragraph (2), “modular course” (“*cwrs modiwlaid*”) 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.

Treatment of Students

2. An authority’s scheme is to have effect in relation to students subject to regulation 31 (persons excluded from an authority’s scheme; students) and the following provisions of this Schedule.

Students who are excluded from entitlement to a council tax reduction under an authority’s scheme

3.—(1) The students who are excluded from entitlement to a reduction under an authority’s scheme are—

- (a) students who are pensioners; and
- (b) subject to sub-paragraphs (2) and (7)—
 - (i) full-time students, and
 - (ii) students who are persons treated as not being in Great Britain.

(2) Sub-paragraph (1)(b) does not apply to a student—

- (a) who is a person on income support, an income-based jobseeker’s allowance or an income-related employment and support allowance;
- (b) who is a lone parent;
- (c) whose applicable amount would, but for this paragraph, include the disability premium or severe disability premium;
- (d) whose applicable amount would include the disability premium but for the student being

treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;

- (e) 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;
- (f) 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⁽¹⁾ 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;
- (g) who has a partner who is also a full-time student, if the student or that partner is treated as responsible for a child or young person;
- (h) 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⁽²⁾ or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968⁽³⁾;
- (i) who is—
 - (i) aged under 21 and whose course of study is not a course of higher education,
 - (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);
- (j) 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;

(1) S.I. 2008/794.

(2) 1989 c.41.

(3) 1968 c.49.

- (ii) an allowance, or as the case may be, bursary has been granted which includes a sum under regulation 4 of the Students' Allowances (Scotland) Regulations 2007 or, as the case may be, under the Education Authority (Bursaries) (Scotland) Regulations 2007⁽¹⁾, in respect of expenses incurred;
- (iii) a payment has been made under section 2 of the Education Act 1962⁽²⁾ or under or by virtue of regulations made under the Teaching and Higher Education Act 1998;
- (iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005⁽³⁾, regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000⁽⁴⁾, or regulation 41 of the Education (Student Support) (No. 2) Regulations (Northern Ireland) 2009; or
- (v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 2003⁽⁵⁾ or a payment has been made under article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of the student's disability by reason of deafness.

(3) 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.

(4) For the purposes of sub-paragraph (2), once sub-paragraph (2)(e) applies to a full-time student, if that student 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 that student again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to that student for so long as that student remains incapable or is treated as remaining incapable, of work.

(5) 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⁽⁶⁾.

(6) A full-time student to whom paragraph (i) of sub-paragraph (2) applies must be treated as satisfying that

(1) S.S.I. 2007/149.
 (2) 1962 c.12.
 (3) S.I. 2005/52.
 (4) S.I. 2000/213.
 (5) S.I. 2003/459.
 (6) 1988 c.40.

sub-paragraph from the date on which that student made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

(7) 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, the student ceases to attend or undertake a course because the student is—
 - (i) engaged in caring for another person; or
 - (ii) ill;
- (b) the student has subsequently ceased to be engaged in caring for that person or, as the case may be, the student has subsequently recovered from that illness; and
- (c) the student is not eligible for a grant or a student loan in respect of the period specified in sub-paragraph (8).

(8) The period specified for the purposes of sub-paragraph (7) is the period, not exceeding one year, beginning on the day on which the student ceased to be engaged in caring for that person or, as the case may be, the day on which the student recovered from that illness and ending on the day before—

- (a) the day on which the student resumes attending or undertaking the course; or
- (b) the day from which the relevant educational establishment has agreed that the student may resume attending or undertaking the course,

whichever first occurs.

PART 2

Income

Calculation of grant income

4.—(1) The amount of a student's grant income to be taken into account in assessing the student's income must, subject to sub-paragraphs (2) and (3), be the whole of the student's 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 the student resides during the student's 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 that person;
- (f) intended to meet the cost of books and equipment;
- (g) intended to meet travel expenses incurred as a result of the student's attendance on the course;
- (h) intended for the child care costs of a child dependant;
- (i) of higher education bursary for care leavers made under Part 3 of the Children Act 1989.

(3) Where a student does not have a student loan and is not treated as possessing such a loan, there must be excluded from the student's grant income—

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) 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 dependants 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 dependants paid under section 63(6) of the Health Services and Public Health Act 1968⁽¹⁾ (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants 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 weeks.

(7) In a case where a student is in receipt of a student loan or where the student could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither sub-paragraph (6) nor paragraph 8(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.

Calculation of covenant income where a contribution is assessed

5.—(1) 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 the student's 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 (3), the amount of the contribution.

(2) The weekly amount of the student's covenant income 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.

(3) 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 4(2)(g) (calculation of grant income) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the

(1) 1968 c.46.

Covenant income where no grant income or no contribution is assessed

6.—(1) Where a student is not in receipt of income by way of a grant the amount of the student's covenant income must be calculated as follows—

- (a) any sums intended for any expenditure specified in paragraph 4(2)(a) to (e) (calculation of grant income) necessary as a result of the student's 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 4(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 the student's 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 4(2)(a) to (e); and
- (b) the amount to be disregarded under sub-paragraph (1)(c) must be abated by an amount equal to the amount of any sums disregarded under paragraph 4(2)(f) and (g) and (3).

Relationship with amounts to be disregarded under Schedule 9

7. No part of a student's covenant income or grant income is to be disregarded under paragraph 19 of Schedule 9 (disregard of certain charitable and voluntary, etc., payments).

Other amounts to be disregarded

8.—(1) For the purposes of ascertaining income other than grant income, covenant income and loans

treated as income in accordance with paragraph 9 (treatment of student loans), any amounts intended for any expenditure specified in paragraph 4(2) (calculation of grant income), necessary as a result of the student's attendance on the course are to 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 4(2) or (3), 5(3), 6(1)(a) or (c) or 9(5) (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

Treatment of student loans

9.—(1) A student 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 1 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" ("*chwarter*")

is to have 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 1 September, the reduction week, the first day of which coincides with, or immediately follows, the earlier of 1 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;

- (d) 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 there is to be disregarded £10.

(3) A student is to be treated as possessing a student loan in respect of an academic year where—

- (a) a student loan has been made to the student in respect of that year; or
- (b) the student could acquire such a loan in respect of that year by taking reasonable steps to do so.

(4) Where a student is treated as possessing a student loan under sub-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 the student 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 the student;
 - (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) the student took all reasonable steps to obtain the maximum student loan that student 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.
- (5) 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.

Treatment of fee loans

10. 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 1988, section 22 of the Teaching and Higher Education Act 1998 or section 73 (f) of the Education (Scotland) Act 1980, must be disregarded as income.

Treatment of payments from access funds

11.—(1) This paragraph applies to payments from access funds that are not payments to which paragraph 14(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 9—

- (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 the applicant's family, and
- (b) any payments from access funds which are used for any council tax or water charges for which that applicant or any other member of the applicant's family 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 1 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.

Disregard of contribution

12. Where the applicant or the applicant's 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.

Further disregard of student's income

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

Income treated as capital

14.—(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 any other member of the applicant's family is liable, must be disregarded as capital but only for a period of 52 weeks from the date of the payment.

Disregard of changes occurring during summer vacation

15. In calculating a student's income an 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 the student's period of study from the date on which the change occurred to the end of that vacation.

SCHEDULE 12 Regulation 34(3)

All applicants: matters that must be included in an authority's scheme —
procedural matters

PART 1

Procedure for an application for a reduction under an authority's scheme

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

1. Paragraphs 2 to 7 apply to an application for a reduction under an authority's scheme.

2. An application may be made—

- (a) in writing,
- (b) by means of an electronic communication in accordance with Part 4, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

3.—(1) An application which is made in writing must be made to the designated office and be—

- (a) on a properly completed form approved by the authority for the purposes of making an application in writing; or
- (b) in such written form as the authority accepts as sufficient in the circumstances of any particular case (or class of cases) having regard to the sufficiency of the written information and evidence.

(2) Where an application in writing is not made in the form described in paragraph 3(1)(a) or (b) it is defective.

(3) Any form provided by the authority for the purposes of making an application in writing must be provided free of charge .

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

- (a) it was made on the form approved for the purpose but that form is not accepted by the authority as being properly completed, the authority may request the applicant to complete the defective application; 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 supply the applicant with the approved form or request further information or evidence.

(2) An application made on an approved form 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.

5.—(1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.

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

6. 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 that person's circumstances provided by the authority.

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

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

PART 2

Procedure for making an appeal

Procedure by which a person may make an appeal against certain decisions of the authority

8.—(1) A person who is aggrieved by a decision of an authority which affects—

- (a) that person's entitlement to a reduction under an authority's scheme; or
- (b) the amount of any reduction under an authority's scheme,

may serve a written notice on the authority stating the matter by which, and the grounds on which, the person is aggrieved.

(2) A notice under sub-paragraph (1) must be served within one month of the date of service of the notification of the decision of the authority, or where a person has made a request for a written statement in accordance with paragraph 9(5) of Schedule 13 (request for statement of written reasons), within one

month of the date of service of the statement of reasons.

9. 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.

10. Where, following notification under paragraph 9(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with paragraph 9(b) within two months of the service of the person's notice, the person may appeal to the valuation tribunal under section 16 of the 1992 Act.

PART 3

Procedure for applying for a discretionary reduction

Procedure for an application to an authority for a reduction under section 13A(1)(c) of the 1992 Act

11. An application to an 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 4, 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 the authority's 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 4

Electronic communication

Interpretation

12. In this Part of this Schedule—

“information” (*“gwybodaeth”*) includes an application for a reduction under an authority’s scheme, a certificate, notice or other evidence;

“official computer system” (*“system gyfrifiadurol swyddogol”*) means a computer system maintained by or on behalf of an authority for the sending, receiving, processing or storing of any information.

Conditions for the use of electronic communication

13.—(1) An authority may use an electronic communication in connection with an application for, and an award of, a reduction under its scheme.

(2) A person other than the authority may use an electronic communication in connection with the matters referred to in sub-paragraph (1) if the conditions specified in sub-paragraphs (3) to (6) are satisfied.

(3) The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.

(4) The second condition is that the person uses an approved method of—

- (a) authenticating the identity of the sender of the communication;
- (b) electronic communication;
- (c) authenticating any application or notice delivered by means of an electronic communication; and
- (d) subject to sub-paragraph (7), submitting to the authority any information.

(5) The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes of this Part.

(6) The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.

(7) Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.

(8) In this paragraph “approved” (*“cymeradwy”*) means approved by means of a direction given by the

Chief Executive of the authority for the purposes of this Part.

Use of intermediaries

14. An authority may use intermediaries in connection with—

- (a) the delivery of any information by means of an electronic communication; and
- (b) the authentication or security of anything transmitted by such means,

and may require other persons to use intermediaries in connection with those matters.

Effect of delivering information by means of electronic communication

15.—(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 an authority's scheme, on the day the conditions imposed—

- (a) by this Part; and
- (b) by or under an enactment,

are satisfied.

(2) An 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 is not to be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

Proof of identity of sender or recipient of information

16. If it is necessary to prove, for the purpose of any legal proceedings, the identity of—

- (a) the sender of any information delivered by means of an electronic communication to an official computer system; or
- (b) the recipient of any such information delivered by means of an electronic communication from an official computer system,

the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

Proof of delivery of information

17.—(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 to be presumed to have been the case where—

- (a) any such information has been delivered to the authority, if the delivery of that information has been recorded on an official computer system; or
- (b) any such information has been delivered by the authority, if the delivery of that information has been recorded on an official computer system.

(2) If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this is to be presumed not to be the case, if that information delivered to the 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 to be presumed to be that recorded on an official computer system.

Proof of content of information

18. 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 to be presumed to be that recorded on an official computer system.

SCHEDULE 13 Regulation 34(3)

All applicants: matters that must be included in an authority's scheme —
other matters

PART 1

Applications

Who may make an application

1.—(1) In the case of—

- (a) a couple or (subject to paragraph (b)) 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; or
- (b) members of a polygamous marriage to whom paragraph 9 of Schedule 6 (income and

capital: award of universal credit) applies, an application is to be made by whichever one of the parties to the earliest marriage that still subsists they agree should so apply or, in default of agreement, by such one of them as the authority determines.

(2) Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and—

- (a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on that person's behalf; or
- (b) in Scotland, that person's estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000⁽¹⁾ who has power to apply or, as the case may be, receive benefit on that person's 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⁽²⁾, the Enduring Powers of Attorney Act 1985⁽³⁾ or the Mental Capacity Act 2005⁽⁴⁾ 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 that person, the authority may, upon written application made to it 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 the person who is unable to act might be entitled under an authority's scheme, and to receive and deal on that person's behalf with any sums payable to that person.

(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 that person's behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987⁽⁵⁾ (persons unable to act), the authority may if the person so appointed agrees, treat that person as if that person had been appointed by it under sub-paragraph (3).

(1) 2000 asp 4.
(2) 1971 c.27.
(3) 1985 c.29.
(4) 2005 c.9.
(5) S.I. 1987/1968.

(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 that person's office after having given 4 weeks notice in writing to the authority of that person's intention to do so;
- (c) any such appointment must terminate 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) or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed is to 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 7(1)(a) (duty to notify change of circumstances);
- (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 a reduction or its amount.

Date on which an application is made

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

- (a) in a case where—
 - (i) an award of state pension credit which comprises a guarantee credit has been made to the applicant or the applicant's partner, and
 - (ii) the application for a reduction under an authority's scheme is made within one month of the date on which the claim for that state pension credit which comprises a guarantee credit was received at the appropriate DWP office,

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

- (b) in a case where—
 - (i) an applicant or the applicant's partner is a person in receipt of a guarantee credit,
 - (ii) the applicant becomes liable for the first time to pay council tax in respect of the

dwelling which the applicant occupies as the applicant's home, and

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

the date on which the change takes place;

- (c) in a case where—

- (i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or the applicant's partner, and

- (ii) the application for a reduction under an authority's scheme is made within one month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,

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

- (d) in a case where—

- (i) an applicant or the applicant's 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 the applicant occupies as the applicant's home, and

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

the date on which the change takes place;

- (e) in a case where—

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

- (ii) where the applicant makes an application for a reduction under an authority's scheme within one month of the date of the death or the separation,

the date of the death or separation;

- (f) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received at the designated office 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;
- (g) in any other case, the date on which the application is received at the designated office.

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

- (a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or
- (b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days),

have been entitled to that allowance.

(3) Where the defect referred to in paragraph 7 of Schedule 12 (telephone application)—

- (a) is corrected within one month (or such longer period as an authority considers reasonable) of the date the authority last drew attention to it, the authority is to 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 an authority considers reasonable) of the date the authority last drew attention to it, the authority is to treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide on the application.

(4) An authority is to 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 4(1)(a) of Schedule 12 (incomplete form) applies, the authority receives at the 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 considers reasonable; or

(b) where paragraph 4(1)(b) of Schedule 12 (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 the applicant; or, as the case may be,

(ii) the applicant supplies whatever information or evidence was requested under paragraph 4 of Schedule 12 within one month of the request,

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

(c) where the authority has requested further information, the authority receives at the designated office the properly completed application or the information requested 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 the person will become so liable within the period of 13 weeks (the relevant period), the person may apply for a reduction under an 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 is to 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 at the time that the application is received by an authority but the authority is of the opinion that, unless there is a change of circumstances, the applicant will be entitled to a reduction under its scheme for a period beginning not later than the thirteenth reduction week following the date on which the application is made (or such other period as the authority considers reasonable), 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.

Back-dating of applications: pensioners

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

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

Back-dating of applications: persons who are not pensioners

4.—(1) Where an applicant who is a person who is not a pensioner—

- (a) makes an application under an authority's scheme which includes (or which the applicant subsequently requests should include) a period before the application is made; and
- (b) from a day in that period, up to the date the applicant made the application (or subsequently requested that the application should include a past period), the applicant had continuous good cause for failing to make an application (or request that the application should include that period),

the application is to be treated as made on the date determined in accordance with sub-paragraph (2).

(2) That date is the latest of—

- (a) the first day from which the applicant had continuous good cause;
- (b) the day 3 months before the date the application was made;
- (c) the day 3 months before the date when the applicant requested that the application should include a past period.

Evidence and information

5.—(1) Subject to sub-paragraph (3), a person who makes an application for a reduction under an authority's scheme must satisfy sub-paragraph (2) in relation both to the person making the application and

(1) S.I. 1987/1968.

to any other person in respect of whom the person is making the application.

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

- (a) the application is accompanied by—
 - (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - (ii) information or evidence enabling an 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 that person and the application for the reduction is accompanied by—
 - (i) evidence of the application for a national insurance number to be so allocated; and
 - (ii) the information or evidence enabling it to be so allocated.

(3) Sub-paragraph (2) does not apply—

- (a) in the case of a child or young person in respect of whom an application for a reduction is made;
- (b) to a person who—
 - (i) is treated as not being in Great Britain for the purposes of that scheme;
 - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999⁽¹⁾; and
 - (iii) has not previously been allocated a national insurance number.

(4) Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under an 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 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 the person to do so or such longer period as the authority considers reasonable.

(5) Nothing in this paragraph requires a person to furnish any certificates, documents, information or

(1) 1999 c.33.

evidence relating to a payment to which sub-paragraph (7) applies.

(6) Where a request is made under sub-paragraph (4), the authority must—

- (a) inform the applicant or the person to whom a reduction under its scheme has been awarded of the applicant's duty under paragraph 7 (duty to notify changes of circumstances) to notify the authority of any change of circumstances; and
- (b) without prejudice to the extent of the duty owed under paragraph 7, indicate to the person either orally or by notice or by reference to some other document available to the person on application and without charge, the kind of change of circumstances which is to be notified to the authority.

(7) This sub-paragraph applies to any of the following payments—

- (a) a payment which is—
 - (i) disregarded under paragraph 28 of Schedule 9 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners) or paragraph 38 of Schedule 10 (capital disregards: persons who are not pensioners); or
 - (ii) made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
- (b) a payment which is disregarded under paragraph 16 of Schedule 5 (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 5(9)(b) or (c) of Schedule 6 (non-dependent deductions: persons who are not pensioners) other than a payment made under the Independent Living Fund (2006).

(8) Where an applicant or a person to whom a reduction under an 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, the person 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.

Amendment and withdrawal of application

6.—(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 Part 1 of Schedule 12, the amendment may also be made by telephone.

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

(4) A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.

(5) Where the application was made by telephone in accordance with Part 1 of Schedule 12 the withdrawal may also be made by telephone.

(6) Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) is to have 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.

Duty to notify changes of circumstances

7.—(1) Subject to sub-paragraphs (3) and (8), the applicant (or any person acting on the applicant's 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 the applicant's behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect the applicant's 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 Part 1 of Schedule 12 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 the 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 the applicant's 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 the applicant is entitled, other than the cessation of that entitlement to the benefit.

(4) For the purposes of sub-paragraph (3)(c) "relevant benefit" ("*budd-dal perthnasol*") 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 the applicant's family arising from the fact that a person who was a member of the applicant's family is now no longer such a person because that person has ceased to be a child or young person.

(6) A person who has been granted a reduction under an authority's scheme who is also on state pension credit must report—

- (a) changes affecting the residence or income of any non-dependant normally residing with the applicant or with whom the applicant normally resides;
- (b) any absence from the dwelling which exceeds or is likely to exceed 13 weeks.

(7) A person whose state pension credit comprises only a savings credit must also report—

- (a) changes affecting a child living with that person which may result in a change in the amount of reduction under the authority's scheme allowed in that person's case, but not changes in the age of the child;
- (b) any change in the amount of that person's capital to be taken into account which does or may take the amount of that person's capital to more than £16,000;
- (c) any change in the income or capital of—
 - (i) a non-dependant whose income and capital are treated as belonging to the applicant in accordance with paragraph 6 of Schedule 1 or paragraph 8 of Schedule 6 (circumstances in which income of a nondependent is to be treated as applicant's); or
 - (ii) a person to whom paragraph 8(2)(e) of Schedule 1 (partner treated as member of the household under paragraph 8) refers,

and whether such a person or, as the case may be, non-dependant stops living or begins or resumes living with the applicant.

(8) A person who is entitled to a reduction under an authority's scheme and on state pension credit need only report to the authority the changes specified in sub-paragraphs (6) and (7).

PART 2

Decisions by an authority

Decision by an authority

8. An authority must make a decision on an application for a reduction under its scheme within 14 days of paragraphs 2 and 5 being satisfied, or as soon as reasonably practicable thereafter.

Notification of decision

9.—(1) An authority must notify in writing any person affected by a decision made by it under its scheme—

- (a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;
- (b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

(2) Where the decision is to award a reduction the notification under sub-paragraph (1) must include a statement—

- (a) informing the person affected of the duty imposed by paragraph 7 (duty to notify change of circumstances);
- (b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and
- (c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

(3) Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

(4) The notification under sub-paragraph (1) must also include a statement as to the matters set out in Schedule 14.

(5) A person affected to whom the authority sends or delivers a notification of decision may, within one month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

(6) The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

(7) For the purposes of this paragraph a person is to be treated as a person affected by a decision of an authority under its scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

(8) This sub-paragraph applies to—

- (a) the applicant;
- (b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act—
 - (i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on the person's behalf; or
 - (ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on the person's behalf; or
 - (iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;

- (c) a person appointed by the authority under paragraph 1(3).

PART 3

Award or payment of reduction

The award or payment of a reduction under a scheme

10.—(1) Subject to sub-paragraph (2), where a person is entitled to a reduction under an authority's scheme in respect of that person's liability for council tax as it has effect in respect of a financial year, the authority must discharge that person's entitlement by reducing, so far as possible, the amount of that person's liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers.

(2) Where—

- (a) a person is entitled to a reduction under an authority's scheme in respect of that person's liability for the authority's council tax as it has effect in respect of a financial year;
- (b) the person entitled to the reduction is joint and severally liable for the council tax; and
- (c) the authority determines that discharging that person's entitlement by reducing the amount of that person's 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 that person of the amount of reduction to which that person is entitled, rounded where necessary to the nearest penny.

(3) Subject to sub-paragraph (4) any payment made under sub-paragraphs (1) or (2) must be made to the person who is entitled to the reduction.

(4) Where a person other than the person who is entitled to the reduction under an authority's scheme made the application for the reduction and that first person is a person acting pursuant to an appointment under paragraph 1(3) (persons appointed to act for a person unable to act) or is treated as having been so appointed by virtue of paragraph 1(4), the amount of the reduction may be paid to that person.

SCHEDULE 14 Regulation 34(3)

Matters to be included in a notification

PART 1

General

1. The matters to be included in any notification issued by an authority in accordance with paragraph 9 of Schedule 13 (notification of decision) are the matters set out in the following provisions of this Schedule.

2. Every notification must include a statement as to the right of any person affected by the decision to request a written statement under paragraph 9(5) of Schedule 13 (requests for statement of reasons), and the manner and time in which to do so.

3. Every notification must include a statement as to the right of any person affected by the decision to appeal against the decision in accordance with paragraphs 8 and 10 of Schedule 12 (procedure by which a person may make an appeal against certain decisions of the authority), and the manner and time in which to do so.

PART 2

Awards of reductions where state pension credit or extended reduction (qualifying contributory benefits) is payable: pensioners

4.—(1) Where a pensioner who is in receipt of state pension credit is awarded a reduction under an authority's scheme, the notification must include a statement as to—

- (a) the normal weekly amount of council tax the person would be liable to pay before any reduction is awarded under an authority's scheme, rounded to the nearest penny;
- (b) the maximum weekly amount of reduction the person could be entitled to under an authority's scheme, rounded to the nearest penny;
- (c) the normal weekly amount of reduction the authority has determined the person is entitled to under its scheme, rounded to the nearest penny;
- (d) the amount and category of any non-dependant deductions made in accordance with the authority's scheme, if any; and
- (e) the first day that the person is entitled to a reduction under the authority's scheme,

and in any case where the amount to which paragraphs (a) to (c) refers disregards fractions of a penny, the notice must include a statement to that effect.

(2) In a case where a pensioner who is in receipt of state pension credit has entitlement only to the savings credit, the notification must also set out the following matters—

- (a) the person's applicable amount and the basis of the calculation;
- (b) the amounts of the savings credit taken into account;
- (c) the amount of the person's income and capital as notified to the authority by the Secretary of State and taken into account for the purposes of the determination of the reduction under the authority's scheme;
- (d) any modification made to the person's income or capital (paragraph 8 of Schedule 1 (calculation of pensioner's income in savings credit only cases) refers); and
- (e) the amount of the person's capital in that case.

(3) Where a pensioner is entitled to an extended reduction (qualifying contributory benefits) (paragraph 32 of Schedule 1 refers), the notification must include a statement as to the matters set out in paragraph 4(1).

PART 3

Awards of reductions where state pension credit not in payment: pensioners

5. Where a pensioner who is not in receipt of state pension credit is awarded a reduction under an authority's scheme, the notification must include a statement as to—

- (a) the matters set out in paragraph 4(1);
- (b) the pensioner's applicable amount and how it is calculated;
- (c) the pensioner's weekly earnings; and
- (d) the pensioner's income and other earnings.

PART 4

Notification where no award of a reduction is made: pensioners

6. Where a pensioner is not awarded a reduction under an authority's scheme—

- (a) on the ground of income, the notification must include a statement as to—

- (i) the matters set out in paragraph 4(1)(a), and
 - (ii) the matters set out in paragraph 5(b) to (d) where the pensioner is not on state pension credit;
- (b) for any other reason, the notification must include a statement as to the reason why no award has been made.

PART 5

Awards of reductions where income support, income-based jobseeker's allowance, income related employment and support allowance, an extended reduction or an extended reduction (qualifying contributory benefits) is payable:
persons who are not pensioners

7.—(1) Where a person who is not a pensioner and who is on income support, an income-based jobseeker's allowance, or an income-related employment and support allowance is awarded a reduction under an authority's scheme, the notification must include a statement as to—

- (a) the normal weekly amount of council tax the person would be liable to pay before any reduction is awarded under an authority's scheme, rounded to the nearest penny;
- (b) the maximum weekly amount of reduction the person could be entitled to under the authority's scheme, rounded to the nearest penny;
- (c) the normal weekly amount of reduction the authority has determined the person is entitled to under its scheme, rounded to the nearest penny;
- (d) the amount and category of any non-dependant deductions made in accordance with the authority's scheme, if any; and
- (e) the first day that the person is entitled to a reduction under the authority's scheme,

and in any case where the amount to which paragraphs (a) to (c) refers disregards fractions of a penny, the notice must include a statement to that effect.

(2) Where a person who is not a pensioner is entitled to an extended reduction or an extended reduction (qualifying contributory benefits) in accordance with an authority's scheme, the notification must include a statement as to the matters set out in paragraph 7(1).

PART 6

Awards of reduction where universal credit is payable: persons who are not pensioners

8. Where a person who is not a pensioner and who has an award of universal credit is awarded a reduction under an authority's scheme, the notification must include a statement as to—

- (a) the matters set out in paragraph 7(1);
- (b) the person's applicable amount (paragraph 3 of Schedule 6 (applicable amount: persons who are not pensioners who have an award of universal credit) refers); and
- (c) the person's income (paragraph 9 of Schedule 6 (calculation of income and capital; persons who are not pensioners who have an award of universal credit) refers).

PART 7

Awards of reduction where no income support, income-based jobseeker's allowance, income related employment and support allowance or universal credit is payable: persons who are not pensioners

9. Where a person who is not a pensioner and who is not on income support, income-based jobseeker's allowance, income-related employment and support allowance or universal credit is awarded a reduction under an authority's scheme, the notification must include a statement as to—

- (a) the matters set out in paragraph 7(1);
- (b) the person's applicable amount and how it is calculated;
- (c) the person's weekly earnings; and
- (d) the person's weekly income other than earnings.

PART 8

Notification where no award of a reduction is made: persons who are not pensioners

10. Where a person who is not a pensioner is not awarded a reduction under an authority's scheme—

- (a) on the ground of income, the notification must include a statement as to—
 - (i) the matters set out in paragraph 7(a); and
 - (ii) the matters set out in paragraph 8(b) and (c) where the person is not on income

support, an income based jobseeker's allowance, an income-related employment and support allowance, or universal credit;

- (b) for any other reason, the notification must include a statement as to the reason why no award has been made.

PART 9

Notification where income of non-dependant is treated as applicant's income: pensioners and persons who are not pensioners

11. Where an authority makes a decision under its scheme to treat the capital and income of a non-dependant as the applicant's, (paragraph 6 of Schedule 1 and paragraph 8 of Schedule 6 refer), the notification must contain a statement as to—

- (a) the fact that a decision has been made by reference to the income and capital of the applicant's non-dependant, and
- (b) the authority's reason for making that decision.

Explanatory Memorandum to the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013.

This Explanatory Memorandum has been prepared by the Local Government Finance & Performance Division and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013. I am satisfied the benefits outweigh any costs.

Lesley Griffiths AM

Minister for Local Government & Government Business
4 November 2013

Description

1. This statutory instrument sets out the practical framework within which Council Tax Reduction Schemes will operate in Wales from 1 April 2014. The sunset clause in the Council Tax Reduction Schemes and Prescribed Requirements) (Wales) Regulations 2012 limits the application of the Council Tax Reduction Schemes currently operating in Wales, to the 2013-14 financial year.
2. This statutory instrument places a duty upon Local Authorities to introduce Council Tax Reduction Schemes which will apply in their areas from 1 April 2014, and it sets out the matters which Local Authorities must include within their schemes, as well as the areas of local discretion.
3. If any Local Authority in Wales fails to adopt its own Council Tax Reduction Scheme by 31 January 2014 then the default scheme set out in the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013 will be imposed on them.

Matters of special interest to the Constitutional and Legislative Affairs Committee

4. There are no matters of special interest to the Constitutional and Legislative Affairs Committee.

Legislative background

5. Section 10 of, and Schedule 4 to, the Local Government Finance Act 2012 inserted a new Section 13A and new Schedule 1B into the Local Government Finance Act 1992. This provides Welsh Ministers with executive powers to introduce Council Tax Reduction Schemes in Wales, via Regulations.
6. The relevant provisions in the Local Government Finance Act 2012 were subject to a Legislative Consent Motion which was approved by the National Assembly for Wales on 26 June 2012. The Local Government Finance Act 2012 received Royal Assent on 1 November 2012.
7. This statutory instrument is being made under the new section 13A of, and the new Schedule 1B to, the Local Government Finance Act 1992 (the 1992 Act), and places a duty upon Local Authorities to introduce Council Tax Reduction Schemes which will apply in their areas from 1 April 2014. It sets out the matters which Local Authorities must include within their schemes.
8. The instrument is subject to approval of the Assembly (the affirmative procedure).

Purpose and intended effect of the legislation

9. The Welfare Reform Act 2012 contained provisions to abolish Council Tax

Benefit from 31 March 2013. From this date the responsibility to provide support for council tax and the funding associated with it, was passed to Local Authorities in England, to the Scottish Government and to the Welsh Government

10. To ensure a single National Framework Scheme was introduced to provide a consistent level of support across Wales, provisions were sought in the Local Government Finance Act 2012 (the 2012 Act) to provide Welsh Ministers with executive powers to introduce Council Tax Reduction Schemes in Wales.
11. In line with the provisions in the 2012 Act, two main sets of Regulations govern the current operation of Council Tax Reduction Schemes in Wales;
 - The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012: and
 - The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012

These Regulations (the 2012 Regulations) were designed to ensure that all Local Authorities introduced some form of Council Tax support in 2013-14.

12. In agreement with opposition parties a sunset clause was included within the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012, limiting the application of the Council Tax Reduction Schemes adopted by Local Authorities to the 2013-14 financial year.
13. As a result new Regulations are being brought forward which will govern the operation of Council Tax Reduction Schemes in Wales from 1 April 2014. Subject to the approval of the National Assembly for Wales:
 - One set of Regulations will place a duty upon Local Authorities to introduce Council Tax Reduction Schemes in their areas which are to apply from 1 April 2014. These regulations will also prescribe the requirements which must be included within the local schemes introduced by the individual Local Authorities in Wales, and will specify a number of areas of local discretion ('the prescribed requirements Regulations'); and
 - The other set of Regulations will prescribe the 'default' Council Tax Reduction Scheme, which will take effect if Local Authorities do not adopt their own schemes.
14. This statutory instrument relates to the Regulations setting out the prescribed requirements.
15. The approach adopted in the 2012 Regulations has been continued in these Regulations by retaining the national framework and protecting levels of entitlement for eligible applicants at their current levels. However, where feasible, within the timing and legal constraints, and where proposed amendments are in line with wider Welsh Government policy objectives, additional changes have been made to:

- Remove the sunset clause. This has the effect of extending the application of the Regulations beyond the 2014-15 financial year;
- Address minor technical amendments suggested by the Constitutional and Legislative Affairs Committee (CLAC) and by the Joint Committee of Statutory Instruments in relation to similar provisions brought forward in Regulations which apply in relation to England;
- Incorporate amendments required for certain Welfare Reform changes, for example, Universal Credit and Armed Forces Independence Payment;
- Make further simplifications to improve the process for applicants and, where possible, to reduce the costs of administration;
- Consider any practical adjustments needed based on Local Authorities' experience of operating the Council Tax Reduction Schemes since April 2013, for example, amending provisions in relation to changes of circumstances; and
- Respond to points raised as a result of the technical consultation on the draft Regulations.

16. As with the 2012 Regulations, the approach to calculating council tax reductions under these Regulations reflects the approach that was taken to calculating Council Tax Benefit and which was set out in SI 2006/215 (the Council Tax Benefit Regulations 2006) and SI 2006/216 (the Council Tax Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006).

17. These Regulations provide for the following:

Definitions of key words and phrases

Commencement & Application

18. These Regulations 'apply in relation to Council Tax Reduction Schemes made by Local Authorities for financial years beginning on or after 1 April 2014'.

19. This provision does not prevent amendments being made to the Regulations in future. Amendments will continue to be required on an annual basis to, at least maintain the Regulations, for example, to take account of any welfare reform changes and to uprate the financial figures used in line with cost of living increases. This will provide an opportunity for any substantive amendments to be considered, scrutinised and debated.

20. Not limiting the Regulations to a specific financial year reduces the administrative burden for Local Authorities who will not have to adopt a new scheme each year (unless they decide to make changes to their existing scheme).

21. It also means that amending Regulations which alter specific provisions can be made, as opposed to a full set of Regulations setting out the schemes' requirements in their entirety being required. This also limits the amendments required to the related technical Regulations which are required for the

effective operation of Council Tax Reduction Schemes, as these Regulations will not contain references to time-limited Regulations which subsequently require revision.

Preparation of a scheme

22. The process a Local Authority must follow in making its Scheme is set out within these Regulations. This includes a requirement to consult with major precepting Authorities and other persons who are considered likely to have an interest in the operation of its Scheme – particularly in relation to the areas of local discretion.
23. The adoption of a Scheme is subject to a Local Authority's formal decision making processes.

Revisions to and replacement of schemes

24. The Regulations require a Local Authority to consider, on an annual basis, whether or not to revise or replace its Scheme, and the process to be followed if a decision is taken to change its Scheme.
25. As these Regulations set out the national requirements an Authority's Scheme must satisfy, any revisions to Schemes are, in effect, limited to the areas of local discretion.
26. Similar provision was not included in the 2012 Regulations as the sunset clause limited the application of the Schemes adopted to the 2013-14 financial year.

Revocation

27. Provision is required to revoke the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012 from 1 April 2014 in line with the sunset clause. However transitional and savings provision is made for cases which are still outstanding when the new Regulations come into effect, for example, applications which are still being processed, cases subject to appeal, or backdated applications.

Transitional Provisions (Regulations 35 to 40)

28. Similar to the Council Tax Reduction Schemes (Transitional Provisions) (Wales) Regulations 2013, which allowed for the transition of claimants from the Council Tax Benefit system to Council Tax Reduction Schemes, transitional provisions have been included within these Regulations. They allow applicants for reductions to move from a Scheme which a Local Authority has adopted under the 2012 Regulations, to the new Scheme a Local Authority will adopt in accordance with the provisions of the prescribed requirements Regulations, without having to make a new application.
29. The transitional provisions cover persons who under the 2012 Regulations;

- Receive a Council Tax reduction;
 - Have made an application to receive a Council Tax reduction;
 - Have appealed against a decision in relation to an application for a Council Tax reduction, and whose appeal is still pending.
30. Under the 2012 Regulations, applicants who have a change in circumstances which affects the amount of support they receive and which consists, either of a non-dependant taking up residence with them, or there being a change in the circumstances of an existing non-dependant, are given a 26-week grace period before the impact of those changes comes into effect.
31. This provision has been removed from these Regulations. Its removal was suggested by Local Government practitioners as a simplification and which could help reduce some expenditure under the Council Tax Reduction Schemes. There are also no similar grace periods for other changes of circumstances, and the grace period in this instance was for a period longer than those afforded in the areas of local discretion which a Local Authority can choose to adopt.
32. However transitional arrangements have been put in place so applicants who are within the 26-week grace period at the point of transferring to the new Schemes (on 1 April 2014) will continue to benefit from that grace period until it expires.
33. These Regulations also make provision to simplify administrative arrangements for Local Authorities in relation to deemed applications (i.e. those made between 15 February 2014 and the commencement of the Council Tax Reduction Scheme on 1 April 2014). This has been achieved by removing the duty upon Local Authorities to notify applicants of their duty to report any changes in their circumstances between the time an application is deemed to have been made and the determination of that application.
34. The transitional date of 15 February 2014 has been set to provide sufficient time for Local Authorities' preparation of their annual Council Tax billing processes.

The procedure for reduction applications and appeals

35. The Regulations allow an application to be made in writing, by means of electronic communications, or where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
36. Minor amendments have been made to provisions in relation to applications to allow Local Authorities to receive information "in writing" otherwise than by way of an approved form, in order to improve administrative processes for Local Authorities'. However, in accepting an application it will be for Local Authorities to ensure they are abiding by DWP's data-sharing rules and to guarantee they have appropriate mechanisms in place to deal with fraud and error relating to information provided by an applicant

37. The Regulations also set out the procedure by which a person may make an appeal against the decisions of an Authority under its Council Tax Reduction Scheme. An applicant is required to request that an Authority reconsiders its decision within one month of having been notified of a decision in relation to a reduction. This time-limit was not included in the 2012 Regulations but is an operational improvement suggested by Local Government practitioners and it is similar to the time limit which exists for Housing Benefit appeals.
38. The Regulations also provide for persons who are still aggrieved by the decision of a Local Authority in relation to a reduction under its Council Tax Reduction Scheme, or who have not received a response from the Authority within two months of an appeal being made, to appeal to the Valuation Tribunal Wales.
39. The Regulations also set out the procedure by which a person can apply to an authority for a discretionary reduction under section 13A(1)(c) of the 1992 Act.

The classes of person who are entitled to a reduction under the scheme

40. There will be four classes of person entitled to a reduction under a scheme:
- Class A: Pensioners whose income is less than the applicable amount.
 - Class B: Pensioners whose income is greater than the applicable amount.
 - Class C: Persons who are not pensioners whose income is less than the applicable amount.
 - Class D: Persons who are not pensioners whose income is greater than the applicable amount.
41. The applicable amount is the amount that the Government says that an applicant and their family need to live on each week. The components that make up the applicable amount are detailed in paragraph 1 of Schedule 1 (pensioners) and paragraph 1 of Schedule 6 (persons who are not pensioners) to the Regulations.

The classes of person who are excluded from this scheme

42. The Regulations apply the same restrictions that existed under the Council Tax Benefit system to exclude foreign nationals with limited immigration status and non-economically active EEA individuals who are not exercising EU treaty rights from receiving council tax reductions.
43. However, the Regulations allow the established practice of enabling those who have recognised refugee status, humanitarian protection, discretionary leave or exceptional leave to remain granted outside the immigration rules

and who are exempt from the Habitual Residence Test, to be entitled to apply for a council tax reduction, provided that their status has not been revoked.

44. The Regulations also replicate provisions from the former Council Tax Benefit system in relation to other classes of person that are to be excluded from entitlement to a reduction under the Scheme, namely: persons treated as not being in Great Britain, persons subject to immigration control and students.
45. The Regulations in relation to persons who are to be treated as being in Great Britain also replicate the former Council Tax Benefit system in this regard.
46. Several amendments have been made to update the 2012 Regulations in relation to treatment of persons from abroad and persons who have been excluded from making a claim for a council tax reduction as a result of their immigration status. This reflects amendments that have been made to similar provisions in Regulations relating to Housing Benefit and Universal Credit. The amendments include:
 - Removing 'job-seekers' as people having a right to reside for purposes of qualifying to receive a reduction;
 - Listing people forced to leave Zimbabwe or Montserrat as passing the right to reside test for the purposes of qualifying to receive a reduction; and
 - Including people from states which have ratified the European Convention on Social and Medical Assistance or the Council of Europe Social Charter as not being subject to immigration control, meaning they are eligible to apply for a reduction.

The matters that determine eligibility for a reduction and the amount of reduction under the Scheme

47. The class of person that an individual falls within (for the purposes of a reduction), and the reduction they will receive, are determined through means-testing.
48. The Regulations use the same rules and criteria for means testing as were used under the former Council Tax Benefit system, and as with that system the Regulations contain separate provisions for the means testing of pensioners and persons who are not pensioners.
49. The means tests are based on a comparison of an individual's income (as defined in the Regulations) and their applicable amount (a living allowance). An individual's applicable amount will continue to be made up of four elements:
 - A personal allowance in respect of the applicant;
 - An amount in respect of any child or young person who is part of the applicant's family;
 - A family premium element (where the applicant is part of a family of which at least one member is a child or young person); and

- Any premium amount, as set out in the Regulations, which is applicable to the applicant, for example, for a disability or in relation to caring responsibilities.
50. The elements of, and the calculation methodology for, the applicable amount replicate those used in the former Council Tax Benefit system.
 51. Where wider welfare reforms have necessitated amendments to recognise any new benefits, such as the introduction of the Personal Independence Payment which replaced Disability Living Allowance for new claimants in April 2013, technical amendments have been made by the Welsh Government.
 52. An amendment has also been made to correct an error in the 2012 Regulations which meant recipients of Personal Independence Payments (PIP), which is gradually replacing Disability Living Allowance (DLA), were treated more favourably when determining an applicant's entitlement to an enhanced disability premium for the purposes of determining eligibility for a reduction under a Council Tax Reduction Scheme. This had the unintended consequence of increasing expenditure on Council Tax Reduction Schemes, though due to the gradual implementation of PIP this has had a limited effect.
 53. The amendment made brings the treatment of recipients of PIP into line with the recipients of DLA and is consistent with the approach taken under the previous Council Tax Benefit system. A number of further amendments have also been made to ensure all necessary references to PIP are included within the Regulations.
 54. In addition, amendments have been made to ensure provisions in relation to the Armed Forces Independence Payments, which is an alternative to PIP, DLA and Attendance Allowance, for service personnel and veterans who have been seriously injured as a result of their service, are up to date and any necessary references are included.

How income and capital of the applicant, and others, should be treated when calculating entitlement to a reduction under a scheme, including cases where an applicant or their partner has an award of Universal Credit

55. In accordance with these Regulations an applicant's income and capital will be calculated in line with the provisions which existed under the former Council Tax Benefit system.
56. As such, the income and capital of an applicant's partner (or, to mitigate the risk of over-claiming in a polygamous marriage, partners) will continue to be treated as income of the applicant. Income or capital of any child or young person will also continue not to be treated as income or capital of the applicant.
57. The Regulations also allow a Local Authority to treat the income or capital of a non-dependant (someone who is aged over 18 and who normally lives with the applicant, for example, an adult son, daughter, relative or friend) as if it were the income or capital of the applicant, in a case where it appears to the

Local Authority that the two have entered into arrangements to take advantage of the system. There is an exception to this rule for those on income related Jobseekers Allowance and income related Employment and Support Allowance.

58. There will be special treatment of income and capital for those in receipt of state pension credit:

- For those in receipt of the guarantee credit element of state pension credit, the whole of their income and capital will be disregarded; and
- For those in receipt of the savings credit element of state pension credit, a Local Authority will be able to use the Department for Work and Pensions' Pension Service's assessment of income and capital of the individual, and adjust this to take into account income from this benefit and any other relevant requirements.

59. Provisions in the Regulations that relate to income, the calculation of income on a weekly basis, what is to be regarded as income, and what is to be disregarded as income, replicate those that existed within the former Council Tax Benefit system.

60. In relation to income, wider welfare changes mean new working age benefits are being introduced, for example, Disability Living Allowance will be replaced by Personal Independence Payments. New claimants will be migrated onto these benefits over time, so both benefits will co-exist for a number of years (for example, Universal Credit migration will take place over a five year period). These new benefits have therefore been incorporated within these regulations, and the approach to the provisions included in relation to these new benefits has been agreed with the Department for Work and Pensions.

61. Provisions relating to capital, what is to be regarded as capital, what is to be disregarded as capital and other capital calculations will also operate the in the same way under these Regulations as they did within the former Council Tax Benefit system.

The application of the scheme to students

62. Matters relating to the application of the Scheme to students will be dealt with in the same way as they used to be under the former Council Tax Benefit system.

Extended reductions

63. The Regulations set out that an individual who is approaching pension credit eligible age:

- And who is in receipt of a Council Tax Reduction and not in receipt of working age benefits (Income Support, income related Jobseeker's Allowance, income related Employment and Support Allowance),

- Or whose partner has claimed state pension credit,

will continue to receive an extended payment of their Council Tax Reduction for a period of four weeks.

64. The Regulations also set out that an applicant who is not a pensioner and who is entitled to a reduction under a Scheme will be entitled to receive an extended payment of their Council Tax Reduction for a period of four weeks, where the applicant or the applicant's partner was entitled to a qualifying income related benefit for a continuous period of at least 26 weeks and entitlement to this benefit ceased because the applicant or the applicant's partner:

- Commenced employment as an employed or self-employed earner;
- Increased their earnings from such employment; or
- Increased the number of hours worked in such employment.

65. If an applicant moves to the area of a new Local Authority during an extended reduction period then the first Local Authority will pay the second Local Authority, or the applicant, their reduction amount for the extended reduction period.

66. If an applicant makes an application for a Council Tax Reduction to the second Local Authority, the second Local Authority will net off the reduction amount received from the first Authority. Any balance of reduction award will be paid to the applicant. After the extended reduction period ends, the first Local Authority's liability in relation to extended payments will cease and the new Local Authority's reduction will apply.

Period of entitlement and changes of circumstances

67. While the Regulations retain the previous council tax benefit system's provisions in relation to:

- Date on which a change of circumstances is to take effect; and
- Changes of circumstances where state pension credit is in payment;

where possible these provisions have been simplified, to reduce the administrative impact on Local Authorities and to simplify the process for applicants, so that the majority of changes are effective from the date on which they actually occur.

68. The Regulations also replicate current arrangements for a person to act on behalf of another for example where a person has been granted power of attorney over a liable council tax payer.

Award or payment of reduction

69. Matters relating to the time and manner of granting reductions and persons to whom reductions are to be paid (where relevant) are dealt with in the same way they used to be under the former Council Tax Benefit system.

Treatment of Universal Credit

70. The Regulations contain provisions about applicants with an award of Universal Credit (an individual or a couple).
71. For the applicable amount of such applicants the amount of the maximum award calculated for the purposes of Universal Credit is used. This ensures that there is a consistent approach towards the amount that Universal Credit determines a person needs to live on and the amount that Council Tax Reduction Schemes assume a person needs to live on.
72. In determining an applicant's income, Council Tax Reduction Schemes will use the income assessment made by DWP for Universal Credit. For most cases this will only be modified by adding in the award of Universal Credit itself, and any further 'discretionary' reduction that an Authority decides to apply. A calculation will also be undertaken to convert the amounts of income and award into amounts for a week as opposed to a month.
73. The way Universal Credit works means that housing and childcare costs are taken into account under both the calculation of 'income' and the calculation of the 'applicable amount', and as such they cancel each other out. Allowing housing and childcare costs to be taken into account in both the 'maximum award' and assessed 'income' is considered simpler to administer and avoids a dual tapering of support, because the means test for Council Tax Reduction Schemes will take into account the fall in housing and childcare support as earnings increase.
74. Universal Credit already provides support for childcare. Households increasing their working hours may face increased childcare costs, which will be partially offset by Universal Credit. Since Universal Credit is taken into account for both the applicable amount and income calculations made under the Council Tax Reduction Schemes, increased childcare costs will not lead to a reduction in support under those Schemes.
75. In line with the treatment of other applicants for Council Tax Reductions, applicants with an award of Universal Credit will lose 20p for every £1 of income over and above their applicable amount, subject to any earnings disregards that may be applied under a scheme. This supports positive work incentives by mitigating the risk of having high marginal deduction rates. (A marginal deduction rate is the proportion of any increase in earnings which is lost due to tax or to reduced benefit payments.)
76. Since the 20 per cent council tax support taper applies to the Universal Credit income which has already been tapered by 65 per cent, marginal deduction rates cannot exceed 100 per cent and will instead be around 81 per cent, taking into account a person's tax and national insurance contributions.

Areas of local discretion available under the prescribed requirements Regulations

77. In adopting a Council Tax Reduction Scheme, a Local Authority can choose to implement a number of areas of local discretion. These are more generous than the minimum requirements set out in the Prescribed Requirements Regulations or Default Scheme Regulations, thereby allowing Authorities to respond to local needs and priorities, provided that these areas of discretion are locally funded. The areas of local discretion permitted under these Regulations are:

- Extended reduction period – Local Authorities have the ability to extend this period beyond the standard 4-week period;
- War Disablement Pensions and War Widow's Pensions – Local Authorities are able to disregard more than the statutorily prescribed for £10 of the monies received in respect of these pensions when calculating income;
- Backdating of applications – Local Authorities have the ability to backdate an application for CTRS beyond the standard three month period.

78. Under the 2012 prescribed requirements Regulations an area of local discretion was also provided in relation to notification of decisions. This permitted a Local Authority to alter the amount of information provided as part of their notification of decisions procedures. Feedback from practitioners suggested this area of discretion was unnecessary and therefore it has been removed from these Regulations.

Consultation

79. The details of the consultation undertaken are included in the RIA below.

PART 2 – REGULATORY IMPACT ASSESSMENT

Options

Option 1 – Do nothing

80. The sunset clause applying to the 2012 Regulations limits the Council Tax Reduction Schemes adopted by Local Authorities to the 2013-14 financial year. If no action is taken to bring forward new Regulations then there will be no legal powers to introduce schemes to provide assistance to households in meeting their council tax bills from 1 April 2014.

81. This means that the approximately 320,000 applicants currently receiving support under a Council Tax Reduction Scheme would be required to pay their council tax bill in full.

Option 2 - Draft Regulations based on the 2012 Regulations but reduce support provided to applicants in line with the shortfall in funding

82. Bring forward new Regulations based on the 2012 Regulations but which restrict the level of support provided to eligible applicants in line with the shortfall in funding transferred by the UK Government. For example, by setting a maximum reduction in a person's council tax liability, by capping the level of support provided to that for a Band D property etc.

Option 3 - Draft Regulations based on the 2012 Regulations retaining full entitlements for eligible applicants, with the Welsh Government and Local Government sharing the costs of the shortfall in funding

83. Bring forward new Regulations based on the 2012 Regulations maintaining full entitlements to support for eligible applicants. As there is a shortfall in funding transferred by the UK Government to provide households with assistance in meeting their council tax bills, continuing to provide the same level of support will result in a shortfall in funding. This shortfall will be shared between the Welsh Government and Local Government.

Costs & benefits

Option 1 – Do nothing

84. If no action is taken to bring forward new Regulations, then none of the administrative costs for the Welsh Government or Local Government of operating a new scheme, set out under options 2 and 3 below, would be incurred.
85. Furthermore, the funding transferred from the UK Government to the Welsh Government following the abolition of Council Tax Benefit could be used to support other Welsh Government priorities. The funding that has been transferred for 2014-15 is £222m and £5.2m will also be transferred to meet some of the costs of administering the schemes.
86. However if no form of assistance in meeting council tax bills is provided then the current recipients of council tax reductions in Wales (approximately 320,000) would be expected to meet their council tax bills in full.
87. Given that Council Tax Reduction Schemes provide income-related support for those with low incomes this is likely to cause severe financial hardship for current recipients. As a result demand for advice and support from local advisory bodies and other third sector organisations would increase, raising the costs incurred by these organisations. There could also be an increased number of applications to Local Authorities for hardship assistance or an increased incidence of homelessness.
88. As it is unlikely that a recipient currently receiving a 100% reduction in their council tax liability would be able to pay their full council tax bill, there would be an impact on Local Authorities' collection rates and consequently the funds

that local government has available to deliver its local services. This could also result in an increase in council tax in future years.

89. There would also be significant costs for Local Government as a result of increased collection and enforcement activity.

Option 2 - Draft Regulations based on the 2012 Regulations but reduce support provided to applicants in line with the shortfall in funding

90. It should be noted that all of the costs outlined below result from the UK Government's decision to abolish council tax benefit and to reduce the funding available to provide future support by 10%.

Costs to Current Recipients

91. Regulations to reduce the level of assistance that is provided to applicants, in line with the shortfall in funding transferred by the UK Government, would mean those claiming support under Council Tax Reduction Schemes would have to pay a proportion of their council tax bill.
92. The costs to current recipients would depend on the mechanism used to reduce expenditure on Council Tax Reduction Schemes. For example, based on calculations made in the Explanatory Memorandum for the 2012 Regulations, if Regulations were brought forward setting the maximum level of council tax liability which can be rebated at 90%, applicants would on average lose an estimated £67 of support per annum.

Administration Costs – Local Government

93. In 2013-14 rather than disaggregating the costs of administering Council Tax Benefit from administering Housing Benefit once Council Tax Benefit was abolished, DWP continued the existing administration subsidy arrangements and provided funding directly to Local Authorities to cover the administration costs of both Housing Benefit and Council Tax Support.
94. For 2014-15, DWP has determined that a proportion of the administration funding which relates solely to Council Tax Reduction cases should be disaggregated from the current subsidy and passed to DCLG and the Devolved Administrations. Based on previous cost modelling exercises, DWP has assessed this as equating to 20% of the weighted caseload, with the remaining caseload relating to joint Housing Benefit /Council Tax Reduction cases or Housing Benefit only cases. The remaining 80% of the funding will be provided by DWP directly to Local Authorities for 2014-15.
95. The administrative funding that will be transferred to the Welsh Government has been calculated by DWP taking into account planned efficiencies set out in the Autumn Statement 2012 and Budget 2013 and the respective workload shares of each country. As a result £5.2m will be provided to the Welsh Government for the administration of CTRS in 2014-15 and this will be distributed to Local Authorities as part of the Revenue Support Grant.

Administration Costs – Welsh Government

96. There will be costs for the Welsh Government in relation to the implementation, maintenance and monitoring of Council Tax Reduction Schemes. These costs are being met through the reprioritisation of resources within the Local Government and Communities Departmental Running Costs.

Other Costs

97. There will be costs associated with the fraud and enforcement arrangements and the appeals process for the new Schemes however these are detailed in the Regulatory Impact Assessment for the Regulations covering these matters.

Indirect Costs - Impact on Council Tax Collection Rates and Collection Costs

98. If Regulations are made reducing the level of support provided to eligible applicants by restricting the maximum rebate in their council tax liability to 90%, approximately two-thirds of current applicants would have to pay council tax for the first time. As a result Local Authorities would expect their council tax collection rates to fall and the costs of collecting this additional council tax to rise. Individual estimates from Local Authorities, based on their tax base calculations for 2013, suggest that dependent on the Local Authority area collections rates could be expected to fall between 0%-1.5%.

Indirect Costs - Impact on Advisory Services and Third Sector Organisations

99. Requiring applicants who have never previously paid council tax to pay a proportion of their council tax bill is likely to increase demand for advice and assistance from advisory services and other third sector organisations.

Benefits

100. Whilst this option would reduce the level of support eligible applicants received from Council Tax Reduction Schemes, it would mean households would continue to receive some financial assistance in meeting their council tax bills. This would avoid the financial hardship and the associated costs listed under option one of requiring people on the lowest incomes to pay their council tax bill in full.
101. Reducing the level of support provided under Council Tax Reduction Schemes, rather than making up the funding shortfall would mean Welsh Government and Local Government would not have to reduce funding available for other areas/ services.

Option 3 - Draft Regulations based on the 2012 Regulations retaining full entitlements for eligible applicants, with the Welsh Government and Local Government sharing the costs of the shortfall in funding

Costs of funding the shortfall

102. Based on current levels of expenditure under the Council Tax Reduction Schemes, the funding shortfall is expected to exceed £30 million. However this does not take into account any increase in expenditure as a result of council tax increases, which are a locally determined decision, or as a result of other factors which increase expenditure, for example, local job losses.
103. As part of the provisional Local Government Settlement, the Welsh Government has provided £22m within the Revenue Support Grant for Council Tax Reduction Schemes. This is in addition to the £222m transferred by the UK Government following the abolition of Council Tax Benefit. Local Government will be expected to meet the remaining costs of the shortfall and it will be a local decision as to how this is funded.

Administration Costs – Local Government

104. In 2013-14 rather than disaggregating the costs of administering Council Tax Benefit from administering Housing Benefit once Council Tax Benefit was abolished, DWP continued the existing administration subsidy arrangements and provided funding directly to Local Authorities to cover the administration costs of both Housing Benefit and Council Tax Support.
105. For 2014-15, DWP has determined that a proportion of the administration funding which relates solely to Council Tax Reduction cases should be disaggregated from the current subsidy and passed to DCLG and the Devolved Administrations. Based on previous cost modelling exercises, DWP has assessed this as equating to 20% of the weighted caseload, with the remaining caseload relating to joint Housing Benefit /Council Tax Reduction cases or Housing Benefit only cases. The remaining 80% of the funding will be provided by DWP directly to Local Authorities for 2014-15.
106. The administrative funding that will be transferred to the Welsh Government has been calculated by DWP taking into account planned efficiencies set out in the Autumn Statement 2012 and Budget 2013 and the respective workload shares of each country. As a result £5.2m will be provided to the Welsh Government for the administration of CTRS in 2014-15 this will be distributed to Local Authorities as part of the Revenue Support Grant.

Administration Costs – Welsh Government

107. There will be costs for the Welsh Government in relation to the implementation, maintenance and monitoring of Council Tax Reduction Schemes. These costs are being met through the reprioritisation of resources within the Local Government and Communities Departmental Running Costs.

Other Costs

108. There will be costs associated with the fraud and enforcement arrangements and the appeals process for the new schemes however these are detailed in the Regulatory Impact Assessment for the Regulations covering these matters.

Sectors

109. Local Government and the Voluntary Sector have been consulted during the development of proposals to introduce Council Tax Reduction Schemes in Wales. This is detailed in the Consultation section.
110. This legislation will not affect the Business Sector.

Duties

111. In drafting these Regulations consideration has been given to the Welsh Ministers' duty to promote equality and eliminate discrimination and an Equality Impact Assessment has been completed.
112. Council Tax Reduction Schemes will be implemented and operated by Local Authorities who are under general duties to comply with Welsh Language and Sustainable Development duties.

Consultation

113. A technical consultation on the draft Regulations was published on the Welsh Government web-site and was sent to:
- Opposition Party Spokespeople
 - The Chair of the Constitutional and Legislative Affairs Committee
 - The Chair of the Communities, Equality and Local Government Committee
 - Members of the Council Tax Reduction Scheme Task and Finish Group
 - Members of the Council Tax Reduction Scheme Reference Group
 - Members of the Welsh Government's Welfare Reform Officials Group
 - Members of the Welsh Revenue and Benefits Practitioners Group
 - Software Providers.
114. Seventeen responses were received and as a result a number of amendments were made to the Regulations including:
- Clarifying the consultation requirements for Local Authorities in preparing their schemes;
 - Amending the provisions in relation to the application for a reduction to allow Local Authorities to receive an application 'in writing' other than by way of a claim form;
 - Removing provisions relating to the treatment of two or more changes of circumstances which occur in one reduction week;
 - Removing the 26 week grace period in relation to changes of circumstances for non dependant deductions;
 - Amending the date of deemed applications from 1 March 2014 to 15 February 2014 to allow Local Authorities' to make earlier preparations for their annual billing processes;

- Revising provisions in relation to Armed Forces Independence Payments to ensure all necessary references are included;
- Introducing a one month time limit within which an applicant must request a Local Authority to reconsider its decision in relation to a reduction under its Scheme; and
- Removing as an area of local discretion, the information provided as part of an Authority's notification of decision procedure.

Competition Assessment

115. This has been scored against the competition filter test which indicated that there will be no detrimental effect on competition.

Post implementation review

116. As a result of the impact of wider welfare reform changes and the current uncertainty around the level of funding that will be provided by the UK Government to operate council tax reductions schemes in Wales, this legislation will have to be reviewed in 2014-15 to consider any amendments required for 2015-16.

Agenda Item 3.2

Draft Regulations laid before the National Assembly for Wales under section 13A(8) of the Local Government Finance Act 1992, for approval by resolution of the National Assembly for Wales.

DRAFT WELSH STATUTORY INSTRUMENTS

2013 No. (W.)

COUNCIL TAX, WALES

The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013

EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 13A of the Local Government Finance Act 1992 (“the 1992 Act”), enables the Welsh Ministers to make regulations in connection with council tax reduction schemes. Paragraph 6 of Schedule 1B to the 1992 Act enables the Welsh Ministers to prescribe by regulations a default scheme. The default scheme is to take effect, in respect of dwellings situated in the area of a billing authority, if the authority fails to make its own scheme in accordance with any duty imposed by virtue of regulations made by the Welsh Ministers. If there is no duty to introduce a scheme by virtue of regulations made by the Welsh Ministers, the scheme provided for within these regulations will not take effect.

The default scheme prescribed by the Welsh Ministers is set out in the Schedule to these Regulations. Parts 1 and 2 contain introductory provisions and definitions of key words and phrases. Part 3 and Schedule 1 contains the procedure for reduction applications and appeals. Parts 4 and 5 specify the classes of person entitled and not entitled to a reduction under the scheme, respectively.

Parts 6 to 8 and Schedules 2 and 3 set out matters relevant to determining eligibility for a reduction and the amount of reduction under the scheme.

Part 9 and Schedules 4 to 9 set out how income and capital of the applicant and others is treated in calculating eligibility for a reduction, including in cases where an applicant or partner has an award of

universal credit. Part 10 provides for the application of the scheme to students. Part 11 provides for extended reductions in certain circumstances and Part 12 sets out the period of entitlement and how a change in circumstances affects any reduction.

Part 13 of the scheme provides for the making of an application for a reduction. Part 14 sets out the time within which an authority must make its decision on the application and provides for notification of the decision. Part 15 makes provision about the award or payment of a reduction, and Schedule 11 sets out the matters which must be included within notifications.

The Welsh Ministers' Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with these Regulations. A copy can be obtained from the Local Government Finance and Public Service Performance Division, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

Draft Regulations laid before the National Assembly for Wales under section 13A(8) of the Local Government Finance Act 1992, for approval by resolution of the National Assembly for Wales.

DRAFT WELSH STATUTORY
INSTRUMENTS

2013 No. (W.)

COUNCIL TAX, WALES

**The Council Tax Reduction
Schemes (Default Scheme) (Wales)
Regulations 2013**

Made

*Coming into force in accordance with
regulation 1(2)*

The Welsh Ministers make the following Regulations in exercise of the powers conferred upon them by section 13A(4)(c) and (5) of, and paragraph 6 of Schedule 1B to, the Local Government Finance Act 1992⁽¹⁾:

In accordance with section 13A(8) of that Act, a draft of this instrument has been laid before and approved by a resolution of the National Assembly for Wales.

Title, commencement, application and revocation

1.—(1) The title of these Regulations is the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013.

(2) These Regulations come into force on the day after the day on which they are made.

(3) These Regulations apply in relation to billing authorities in Wales, and the first financial year to which the scheme set out in the Schedule to these Regulations relates is the year beginning 1 April 2014.

(1) 1992 c.14. Section 13A was substituted by section 10(1) of the Local Government Finance Act 2012 (c.17), and Schedule 1B was inserted by section 10(5) and Schedule 4 to that Act.

(4) The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012⁽¹⁾ are revoked.

Default scheme

2. The scheme set out in the Schedule to these Regulations is the scheme prescribed for the purposes of paragraph 6 of Schedule 1B to the Local Government Finance Act 1992.

Lesley Griffiths

Minister for Local Government and Government
Business, one of the Welsh Ministers

Date

⁽¹⁾ S.I. 2012/3145 (W.317).

SCHEDULE

Regulation 2

Council Tax Reduction Schemes (Default Scheme) (Wales)

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PART 1

Introduction

Title

1. The title of this scheme is the Council Tax Reduction Schemes (Default Scheme) (Wales).

PART 2

Interpretation

Interpretation

2.—(1) In this scheme—

“the 1992 Act” (“*Deddf 1992*”) means the Local Government Finance Act 1992;

“Abbeyfield Home” (“*Cartref Abbeyfield*”) means an establishment run by the Abbeyfield Society including all bodies corporate or unincorporated which are affiliated to that society;

“adoption leave” (“*absenoldeb mabwysiadu*”) 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⁽¹⁾;

(1) 1996 c.18. Sections 75A and 75B were inserted by section 3 of the Employment Act 2002 (c.22) and amended by the Work and Families Act 2006 (c.18), Schedule 1, paragraphs 33 and 34.

“AFIP” (“*TALLA*”) 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⁽¹⁾;

“applicable amount” (“*swm cymwysadwy*”) means—

- (a) in relation to a pensioner, the amount calculated in accordance with paragraph 23 and Schedule 2; and
- (b) in relation to a person who is not a pensioner, the amount calculated in accordance with—
 - (i) paragraph 24 and Schedule 3; or
 - (ii) paragraph 26,

as the case may be;

“applicant” (“*ceisydd*”) means a person applying for a reduction under this scheme;

“application” (“*cais*”) means an application for a reduction under this scheme;

“assessment period” (“*cyfnod asesu*”) means—

- (a) in relation to pensioners—
 - (i) in relation to the earnings of a self-employed earner, the period determined in accordance with paragraph 40 of this scheme for the purpose of calculating the weekly earnings of the applicant; or
 - (ii) in relation to any other income, the period determined in accordance with paragraph 37 of this scheme for the purpose of calculating the weekly income of the applicant;
- (b) in relation to persons who are not pensioners, such period as is set out in paragraphs 44 to 46 of this scheme over which income falls to be calculated;

“attendance allowance” (“*lwfans gweini*”) means—

- (a) an attendance allowance under Part 3 of the SSCBA⁽²⁾;
- (b) an increase of disablement pension under section 104 or 105 of the SSCBA;
- (c) a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983⁽³⁾ or any analogous payment; or

(1) 2004 c.32.

(2) 1992 c.4. See sections 64 and 67 of that Act in relation to attendance allowance.

(3) S.I. 1983/686, relevant amending instruments are S.I. 1984/1675, 2001/420.

- (d) any payment based on need for attendance which is paid as part of a war disablement pension;

“the authority” (“*yr awdurdod*”) means a billing authority in relation to whose area this scheme has effect;

“basic rate” (“*cyfradd sylfaenol*”) has the meaning given by the Income Tax Act 2007(1);

“the benefit Acts” (“*y Deddfau budd-dal*”) means the SSCBA, the Jobseekers Act 1995(2), the State Pension Credit Act 2002(3) and the Welfare Reform Act 2007(4);

“board and lodging accommodation” (“*prydau bwyd a llety*”) means accommodation provided to a person, or if that person is a member of a family, to that person or any other member of that person’s 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 that person’s family) and are consumed in that accommodation or associated premises;

“care home” (“*cartref gofal*”) has the meaning given by section 3 of the Care Standards Act 2000(5) and in Scotland means a care home service within the meaning given by paragraph 2 of Schedule 12 to the Public Services Reform (Scotland) Act 2010(6) 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(7) or a residential care home within the meaning of Article 10 of that Order;

“the Caxton Foundation” (“*sefydliad Caxton*”) means the charitable trust of that name established on 28 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” (“*plentyn*”) means a person under the age of 16;

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- (1) 2007 c.3. Section 989 defines “basic rate” by reference to section 6(2) of that Act. Section 6(2) was amended by section 5 of the Finance Act 2008 (c.9) and section 6 of, and paragraphs 1 and 2 of Part 1 of Schedule 2 to, the Finance Act 2009 (c.10).
- (2) 1995 c.18.
- (3) 2002 c.16.
- (4) 2007 c.5.
- (5) 2000 c.14. Section 3 was amended by paragraphs 1 and 4 of Schedule 5 to, the Health and Social Care Act 2008,(c.14).
- (6) 2010 asp 8.
- (7) S.I. 2003/431 (N.I. 9).

“child benefit” (*“budd-dal plant”*) has the meaning given by section 141 of the SSCBA(1);

“child tax credit” (*“credyd mewn treth plant”*) means a child tax credit under section 8 of the Tax Credits Act 2002(2);

“close relative” (*“perthynas agos”*) 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” (*“taliad consesiynol”*) 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(3) are charged;

“contributory employment and support allowance” (*“lwfans cyflogaeth a chymorth cyfrannol”*) means a contributory allowance under Part 1 of the Welfare Reform Act 2007(4);

“council tax benefit” (*“budd-dal treth gyngor”*) means council tax benefit under Part 7 of the SSCBA;

“couple” (*“cwpl”*) has the meaning given by paragraph 4 of this scheme;

“designated office” (*“swyddfa ddynodedig”*) means the office of the authority designated by it for the receipt of applications—

- (a) by notice upon or with a form supplied by the authority for the purposes of making an application; or
- (b) by reference upon or with such a form to some other document available 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” (*“lwfans byw anabl”*) means a disability living allowance under section 71 of the SSCBA(5);

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- (1) Section 141 was amended by section 1 of the Child Benefit Act 2005 (c.6).
 - (2) 2002 c.21; section 8 is repealed by section 147 of, and Part 1 of Schedule 14 to, the Welfare Reform Act 2012 (c.5), but those provisions are not yet in force.
 - (3) 2002 c.21.
 - (4) 2007 c.5; Part 1 concerns employment and support allowance, amendments are referenced where relevant.
 - (5) Section 71 was amended by section 67(1) of the Welfare Reform and Pensions Act 1999 (c.30) and repealed by

“dwelling” (“*annedd*”) has the meaning given by section 3 of the 1992 Act;

“earnings” (“*enillion*”) has the meaning given by paragraph 38, 40, 41, 48 or 50 of this scheme as the case may be;

“the Eileen Trust” (“*Ymddiriedolaeth Eileen*”) means the charitable trust of that name established on 29 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” (“*cyfathrebiad electronig*”) has the same meaning as in section 15(1) of the Electronic Communications Act 2000(1);

“employed earner” (“*enillydd cyflogedig*”) is to be construed in accordance with section 2(1)(a) of the SSCBA(2) 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” (“*y Cynllun Cyflogaeth, Sgiliau a Menter*”) means a scheme under section 17A (schemes for assisting persons to obtain employment: “work for your benefit” schemes etc.) of the Jobseekers Act 1995(3) 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” (“*parth cyflogaeth*”) means an area within Great Britain designated for the purposes of section 60 of the Welfare Reform and Pensions Act 1999(4) and an “employment zone programme” (“*rhaglen parth cyflogaeth*”) means a programme established for such an area or areas designed to assist claimants for a jobseeker’s allowance to obtain sustainable employment;

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- section 90 of the Welfare Reform Act 2012 (c.5) (not yet in force).
- (1) 2002 c.7; the definition of “electronic communication” contained in section 15(1) was amended by section 406 of, and paragraph 158 of Schedule 17 to, the Communications Act 2003 (c.21).
- (2) Section 2(1)(a) was amended by the Income Tax (Earnings and Pensions) Act 2003, Schedule 6, paragraphs 169 and 171 (c.1).
- (3) Section 17A was inserted by the Welfare Reform Act 2009 (c.24), section 1 and amended by the Welfare Reform Act 2012 (c.5), Schedule 7, paragraphs 1 and 4, and Schedule 14, Parts 1 and 3 (not yet in force). The section is repealed by Part 4 of Schedule 14 of that Act (not yet in force).
- (4) 1999 c.30.

“employment zone contractor” (“*contractwr parth cyflogaeth*”) means a person who is undertaking the provision of facilities in respect of an employment zone programme on behalf of the Secretary of State for Work and Pensions;

“enactment” (“*deddfiad*”) includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament or an Act or Measure of the National Assembly for Wales;

“extended reduction” (“*gostyngiad estynedig*”) means a reduction under this scheme for which a person is eligible under Part 11 of this scheme;

“extended reduction period” (“*cyfnod gostyngiad estynedig*”) means the period for which a person is in receipt of an extended reduction in accordance with paragraph 87, 94 or 99 of this scheme;

“extended reduction (qualifying contributory benefits)” (“*gostyngedig estynedig (budd-daliadau cyfrannol cymwys)*”) means a reduction under this scheme for which a person is eligible pursuant to paragraph 86 or 98 of this scheme;

“family” (“*teulu*”) has the meaning given by paragraph 6 of this scheme;

“the Fund” (“*y Gronfa*”) 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 24 April 1992 or, in Scotland, on 10 April 1992;

“guarantee credit” (“*credyd gwarant*”) is to be construed in accordance with sections 1 and 2 of the State Pension Credit Act 2002⁽¹⁾;

“a guaranteed income payment” (“*taliad incwm gwarantedig*”) means a payment made under article 15(1)(c) or article 29(1)(a) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011⁽²⁾;

“housing benefit” (“*budd-dal tai*”) means housing benefit under Part 7 of the SSCBA;

“an income-based jobseeker’s allowance” (“*lwfans ceisio gwaith ar sail incwm*”) and “a joint-claim jobseeker’s allowance” (“*lwfans ceisio gwaith cyd-hawliad*”) have the meanings given by section 1(4) of the Jobseekers Act 1995⁽³⁾;

(1) 2002 c.16.

(2) S.I. 2011/517.

(3) 1995 c.18. Section 1(4) was amended by the Welfare Reform and Pensions Act 1999, Schedule 7, paragraphs 1 and 2(1) and (4), the Civil Partnership Act 2004 (c.33), section 4 of the Welfare Reform Act 2009 (c.24), and is repealed by the Welfare Reform Act 2012, Schedule 14, Part 1 (not yet in force).

“income-related employment and support allowance” (“*lwfans cyflogaeth a chymorth ar sail incwm*”) means an income-related allowance under Part 1 of the Welfare Reform Act 2007;

“independent hospital” (“*ysbyty annibynnol*”)—

- (a) in England means a hospital as defined by section 275 of the National Health Service Act 2006⁽¹⁾ 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⁽²⁾; and
- (c) in Scotland means an independent healthcare service as defined by section 10F of the National Health Service (Scotland) Act 1978⁽³⁾;

“the Independent Living Fund (2006)” (“*y Gronfa Byw’n Annibynnol (2006)*”) means the Trust of that name established by a deed dated 10 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” (“*cerbyd ar gyfer pobl anabl neu fath arall o gerbyd*”) 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” (“*Cronfa Gymorth Elusennol Bomiau Llundain*”) means the company limited by guarantee (number 5505072), and registered charity of that name established on 11 July 2005 for the purpose of (amongst other things) relieving sickness, disability or financial need of victims (including families or dependants of victims) of the terrorist attacks carried out in London on 7 July 2005;

“lone parent” (“*unig riant*”) 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” (“*Ymddiriedolaeth Macfarlane (Taliadau Arbennig)*”) means the trust of that name, established on 29 January 1990 partly out of funds provided by the Secretary of State, for the benefit of certain persons suffering from haemophilia;

(1) 2006 c.41. The definition of “health service hospital” has been amended by the Health and Social Care Act 2012 (c.7), Schedule 4, paragraph 138.

(2) 2000 c.14. Section 2 was amended by the Health and Social Care Act 2008 (c.14), Schedule 5, paragraphs 1 and 3.

(3) 1978 c.29; Section 10F was inserted by section 108 of the Public Services Reform (Scotland) Act 2010 (asp 8).

“the Macfarlane (Special Payments) (No.2) Trust” (*“Ymddiriedolaeth Macfarlane (Taliadau Arbennig) (Rhif 2)”*) means the trust of that name, established on 3 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” (*“Ymddiriedolaeth Macfarlane”*) 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” (*“lwfans cyflogaeth a chymorth prif wedd”*) 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⁽¹⁾ except in Part 1 of Schedule 3;

“maternity leave” (*“cyfnod mamolaeth”*) means a period during which a woman is absent from work because the woman is pregnant or has given birth to a child, and at the end of which the woman has a right to return to work either under the terms of the woman’s contract of employment or under Part 8 of the Employment Rights Act 1996⁽²⁾;

“maximum council tax reduction amount” (*“uchafswm gostyngiad treth gyngor”*) means the amount determined in accordance with paragraph 27 of this scheme;

“member of a couple” (*“aelod o gwpl”*)_ means a member of a married or unmarried couple;

“MFET Limited” (*“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” (*“atodiad symudedd”*) means—

- (a) in relation to pensioners, a supplement to which paragraph 5(1)(a)(vii) of Schedule 4 to this scheme refers;

(1) Section 2(1)(b) is amended by the Welfare Reform Act 2012, Schedule 23, paragraph 24 (partially in force), section 4 is repealed by Part 1 of Schedule 14 to that Act (not yet in force).

(2) 1996 c.18.

- (b) in relation to persons who are not pensioners, a supplement to which paragraph 13 of Schedule 7 refers;

“mover” (*“symudwr”*) 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 the authority to a dwelling in the area of a second authority;

“net earnings” (*“enillion net”*) means such earnings as are calculated in accordance with paragraph 39 or 49 of this scheme, as the case may be;

“net profit” (*“elw net”*) means such profit as is calculated in accordance with paragraph 58 of this scheme;

“new dwelling” (*“annedd newydd”*) means, for the purposes of the definition of “second authority” and paragraphs 89, 96 and 101 of this scheme, the dwelling to which an applicant has moved, or is about to move, in which the applicant will be resident;

“non-dependant” (*“annibynnydd”*) has the meaning given by paragraph 9 of this scheme;

“occasional assistance” (*“cymorth achlysurol”*) 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 circumstance, 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” (*“awdurdod lleol”*) has the meaning given by section 270(1) of the Local Government Act 1972(1); and
 - (ii) “qualifying individuals” (*“unigolion cymwys”*) means individuals who have been, or without the assistance might otherwise be—
 - (aa) in prison, hospital, an establishment providing residential care or other institution, or

(1) 1972 c.70. The definition of “local authority” was amended by section 102 of, and paragraph 8 of Schedule 16 and Schedule 17 to the Local Government Act 1985 (c.51). Other amendments have been made to that definition but they are not relevant to these Regulations.

(bb) homeless or otherwise living an unsettled way of life;

“occupational pension” (*“pensiwn galwedigaethol”*) 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” (*“cynllun pensiwn galwedigaethol”*) has the same meaning as in section 1 of the Pension Schemes Act 1993(1);

“ordinary clothing and footwear” (*“dillad ac esgidiau cyffredin”*) means clothing or footwear for normal daily use, but does not include school uniforms, or clothing or footwear used solely for sporting activities;

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

- (a) where 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 that person’s household, any such member to whom that person 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” (*“absenoldeb tadolaeth”*) means a period of absence from work on ordinary paternity leave by virtue of section 80A or 80B of the Employment Rights Act 1996 or on additional paternity leave by virtue of section 80AA or 80BB of that Act(2);

“pension fund holder” (*“deiliad cronfa bensiwn”*) 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;

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- (1) 1993 c.48. The definition of “occupational pension scheme” was substituted by section 239 of the Pensions Act 2004 (c.35) and amended by S.I. 2007/3014.
 - (2) 1996 c.18. Sections 80A and 80B were inserted by section 1 of the Employment Act 2002 (c.22) and sections 80AA and 80BB were inserted by section 3 of the Work and Families Act 2006 (c.18). Relevant regulations made under these sections are S.I. 2002/2788 and S.I. 2003/921 (made under sections 80A and 80B) and S.I. 2010/1055 and S.I. 2010/1059 (made under sections 80AA and 80BB).

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

“pensioner” (“*pensiynwr*”) has the meaning given by paragraph 3(2)(a) of this scheme;

“person on income support” (“*person ar gymhorthdal incwm*”) means a person in receipt of income support;

“person who is not a pensioner” (“*person nad yw’n bensiynwr*”) has the meaning given by paragraph 3(2)(b) of this scheme;

“persons treated as not being in Great Britain” (“*personol a drinnir fel pe na baent ym Mhrydain Fawr*”) has the meaning given by paragraph 19 of this scheme;

“personal independence payment” (“*taliad annibyniaeth bersonol*”) has the meaning given by Part 4 of the Welfare Reform Act 2012⁽²⁾;

“personal pension scheme” (“*cynllun pensiwn personol*”) means—

- (a) a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993⁽³⁾;
- (b) an annuity contract or trust scheme approved under section 620 or 621 of the Income and Corporation Taxes Act 1988⁽⁴⁾ 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⁽⁵⁾;
- (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” (“*polisi yswiriant bywyd*”) means any instrument by which the payment of money is assured on death (except

(1) 1995 c.26; paragraph 1 has been amended by the State Pension Credit Act 2002 (c.16), Schedule 2, paragraph 39; the Welfare Reform Act 2007 (c.5), Schedule 3, paragraph 13; the Pensions Act 2007 (c.22), Schedule 3, paragraph 4; and section 1 of the Pensions Act 2011 (c.19).

(2) 2012 c.5.

(3) 1993 c.48; the definition of “personal pension scheme” was substituted by section 239 of the Pensions Act 2004 (c.35) and amended by sections 70 and 114 of, and paragraph 23 of Schedule 20 and paragraph 3 of Schedule 27 to, the Finance Act 2007 (c.11).

(4) 1988 c.1.

(5) 2004 c.12.

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” (“*priodas amlbriod*”) means any marriage to which paragraph 5 of this scheme applies;

“public authority” (“*awdurdod cyhoeddus*”) includes any person whose functions are of a public nature;

“qualifying age for state pension credit” (“*oedran cymhwyso ar gyfer credyd pensiwn y wladwriaeth*”) means (in accordance with section 1(2)(b) and (6) of the State Pension Credit Act 2002(1))—

- (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” (“*budd-dal cyfrannol cymwys*”) means—

- (a) severe disablement allowance;
- (b) incapacity benefit;
- (c) contributory employment and support allowance;

“qualifying income-related benefit” (“*budd-dal cymwys ar sail incwm*”) means—

- (a) income support;
- (b) income-based jobseeker’s allowance;
- (c) income-related employment and support allowance;

“qualifying person” (“*person cymwys*”) means a person in respect of whom payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;

“reduction week” (“*wythnos ostyngiad*”) means a period of seven consecutive days beginning with a Monday and ending with a Sunday;

“relative” (“*perthynas*”) means a close relative, grandparent, grandchild, uncle, aunt, nephew or niece;

“relevant week” (“*wythnos berthnasol*”), in relation to any particular day, means the week within which the day in question falls;

(1) 2002 c.16.

“remunerative work” (“*gwaith am dâl*”) has the meaning given by paragraph 10 of this scheme;

“rent” (“*rhent*”) means “eligible rent” to which regulation 12 of the Housing Benefit (Persons who have acquired the qualifying age for state pension credit) Regulations 2006⁽¹⁾ refer, less any deductions in respect of non-dependants which fall to be made under paragraph 28 (non-dependant deductions) of this scheme;

“resident” (“*preswylydd*”) has the meaning given by Part 1 of the 1992 Act;

“savings credit” (“*credyd cynilion*”) is to be construed in accordance with sections 1 and 3 of the State Pension Credit Act 2002⁽²⁾;

“second authority” (“*ail awdurdod*”) means the authority to which a mover is liable to make payments for the new dwelling;

“self-employed earner” (“*enillydd hunangyflogaeth*”) is to be construed in accordance with section 2(1)(b) of the SSCBA;

“self-employment route” (“*llwybr hunangyflogaeth*”) means assistance in pursuing self-employed earner’s employment whilst participating in—

- (a) an employment zone programme;
- (b) a programme provided by or under arrangements made pursuant to section 2 of the Employment and Training Act 1973⁽³⁾ (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990⁽⁴⁾ (functions in relation to training for employment, etc); or
- (c) the Employment, Skills and Enterprise Scheme;

“service user group” (“*grŵp defnyddwyr gwasanaeth*”) means a group of individuals that is consulted by or on behalf of—

- (a) a Health Board, Special Health Board or the Common Services Agency for Scottish Health in consequence of a function under section 2B of the National Health Service (Scotland) Act 1978⁽⁵⁾;

(1) S.I. 2006/214; amended by S.I. 2007/1356, 2007/2869.
(2) 2002 c.16. Section 3 was amended by the Civil Partnership Act 2004 (c.33), Schedule 24, paragraph 140 and S.I. 2002/1792.
(3) 1973 c.50. Section 2 was substituted by section 25(1) of the Employment Act 1988 (c.19) and repealed in part by the Employment Act 1989 (c.38), Schedule 7, Part 1.
(4) 1990 c.35.
(5) 1978 c.29.

- (b) a landlord authority⁽¹⁾ in consequence of a function under section 105 of the Housing Act 1985⁽²⁾;
- (c) a public authority in Northern Ireland in consequence of a function under section 49A of the Disability Discrimination Act 1995⁽³⁾;
- (d) a public authority in consequence of a function under section 149 of the Equality Act 2010 (public authority general duty)⁽⁴⁾;
- (e) a best value authority in consequence of a function under section 3 of the Local Government Act 1999⁽⁵⁾;
- (f) a Welsh improvement authority in consequence of a function under section 5 of the Local Government (Wales) Measure 2009⁽⁶⁾;
- (g) a local authority landlord or registered social landlord in consequence of a function under section 53 of the Housing (Scotland) Act 2001⁽⁷⁾;
- (h) a relevant English body or a relevant Welsh body in consequence of a function under section 242 of the National Health Service Act 2006⁽⁸⁾;
- (i) a Local Health Board in consequence of a function under section 183 of the National Health Service (Wales) Act 2006⁽⁹⁾;
- (j) the Care Quality Commission in exercise of a function under sections 4 or 5 of the Health and Social Care Act 2008⁽¹⁰⁾;
- (k) the regulator or a private registered provider of social housing in consequence of a function under sections 98, 193 or 196

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- (1) See definition of “landlord authority” in section 114 of the Housing Act 1985 (c.68). Section 114 was amended by section 83(4) of the Housing Act 1988 (c.50); the Government of Wales Act 1998 (c.38) sections 129 and 152, Schedule 15, paragraph 10, and Schedule 18, Part IV; the Localism Act 2011 (c.20) section 222 and Schedule 22, paragraphs 9 and 12; S.I. 1996/2325; and S.I. 2010/866.
 - (2) 1985 c.68.; Section 105 was amended by S.I. 1996/2325; the Government of Wales Act 1998 (c.38), Schedule 8, paragraph 5 and Schedule 16, paragraph 5; and S.I. 2010/866.
 - (3) 1995 c.50.; Section 49A was inserted in respect of Northern Ireland by article 5 of S.I. 2006/312 (N.I. 1).
 - (4) 2010 c.15.
 - (5) 1999 c.27; Section 3 was amended by section 137 of the Local Government and Public Involvement in Health Act 2007 (c.28).
 - (6) 2009 nawm 2.
 - (7) 2001 asp 10.
 - (8) 2006 c.41.
 - (9) 2006 c.42.
 - (10) 2008 c.14; Section 4 has been amended by section 189 of the Health and Social Care Act 2012 (c.7).

of the Housing and Regeneration Act 2008⁽¹⁾; or

- (l) a public or local authority in Great Britain in consequence of a function conferred under any other enactment,

for the purposes of monitoring and advising on a policy of that body or authority which affects or may affect persons in the group, or of monitoring or advising on services provided by that body or authority which are used (or may potentially be used) by those persons;

“single applicant” (“*ceisydd sengl*”) means an applicant who neither has a partner nor is a lone parent;

“the Skipton Fund” (“*Cronfa Skipton*”) means the ex-gratia payment scheme administered by the Skipton Fund Limited, incorporated on 25 March 2004, for the benefit of certain persons suffering from hepatitis C and other persons eligible for payment in accordance with the scheme’s provisions;

“sports award” (“*dyfarniad chwaraeon*”) means an award made by one of the Sports Councils named in section 23(2) of the National Lottery etc Act 1993⁽²⁾ out of sums allocated to it for distribution under that section;

“the SSCBA” (“*DCBNC*”) means the Social Security Contributions and Benefits Act 1992⁽³⁾;

“state pension credit” (“*credyd pensiwn y wladwriaeth*”) means state pension credit under the State Pension Credit Act 2002⁽⁴⁾;

“student” (“*myfyriwr*”) has the meaning given by paragraph 70 of this scheme;

“subsistence allowance” (“*lwfans cynhaliaeth*”) means an allowance which an employment zone contractor has agreed to pay to a person who is participating in an employment zone programme;

“tax year” (“*blwyddyn dreth*”) means a period beginning with 6 April in one year and ending with 5 April in the next;

“training allowance” (“*lwfans hyfforddi*”) means an allowance (whether by way of periodical grants or otherwise) payable—

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- (1) 2008 c.17; Section 193 was amended by the Localism Act 2011 (c.20); Schedule 17, paragraphs 1 and 4 and Schedule 25, Part 27; section 196 was amended by section 26(4) of the Local Democracy, Economic Development and Construction Act 2009 (c.20) and the Localism Act 2011, sections 178, 195 and 237, and Schedules 19 and 25.
- (2) 1993 c.39; subsection (2) was amended by S.I. 1996/3095, and 1999/1663.
- (3) 1992 c.4.
- (4) 2002 c.16.

- (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, the Chief Executive of Skills Funding or the Welsh Ministers;
- (b) to a person for that person's maintenance or in respect of a member of that person's family; and
- (c) for the period, or part of the period, during which that person 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 that person 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 that person is following a course of full-time education, other than under arrangements made under section 2 of the Employment and Training Act 1973⁽¹⁾ or is training as a teacher;

“the Trusts” (“*yr Ymddiriedolaethau*”) means the Macfarlane Trust, the Macfarlane (Special Payments) Trust and the Macfarlane (Special Payments) (No 2) Trust;

“universal credit” (“*credyd cynhwysol*”) has the meaning given by section 1 of the Welfare Reform Act 2012⁽²⁾;

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

“war disablement pension” (“*pensiwn anabled rhwyfel*”) 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⁽³⁾;

“war pension” (“*pensiwn rhwyfel*”) means a war disablement pension, a war widow's pension or a war widower's pension;

“war widow's pension” (“*pensiwn rhwyfel gwraig weddw*”) means any pension or allowance payable to a woman as a widow under an instrument

(1) 1973 c.50. Section 2 was substituted by the Employment Act 1988 (c.19), section 25, and amended by the Employment Act 1989 (c.38), Schedule 7, Part 1.

(2) 2012 c.5.

(3) 2003 c.1; subsection (2) was inserted by section 19 of the Finance Act 2005 (c.7).

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” (“*pensiwn rhyfel gŵr gweddw*”) 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” (“*taliadau dŵr*”) means—

- (a) as respects England and Wales, any water and sewerage charges under Chapter 1 of Part 5 of the Water Industry Act 1991⁽¹⁾;
- (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⁽²⁾,

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

“working tax credit” (“*credyd treth gwaith*”) means a working tax credit under section 10 of the Tax Credits Act 2002⁽³⁾;

“young person” (“*person ifanc*”) means a person who falls within the definition of qualifying young person in section 142 of the SSCBA⁽⁴⁾.

(2) 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.

(3) 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 that person and on any day—

- (a) in respect of which that person satisfies the conditions for entitlement to an income-based jobseeker’s allowance but where the allowance is not paid because of a reduction in accordance with section 19 or 19A or regulations made under section 17A or 19B of the Jobseekers Act 1995⁽⁵⁾

(1) 1991 c.56.

(2) 2002 asp 3; section 29 was substituted, and sections 29A-29G were inserted, by section 21 of the Water Services etc (Scotland) Act 2005 (asp 3).

(3) 2002 c.21.

(4) Section 142 was amended by section 1 of the Child Benefit Act 2005 (c.6).

(5) 1995 c.18. Section 19 (together with sections 19A to 19C), has been substituted by section 46 of the Welfare Reform Act 2012 (c.5); section 17A has been repealed by Part 4 of Schedule 14 to the Welfare Reform Act 2012 although that

- (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 that person or would be payable to that person 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⁽¹⁾ (loss of benefit provisions).
- (4) 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 that person and on any day—
- (a) in respect of which that person satisfies the conditions for entitlement to an income-

provision is not yet in force. In the meantime amendments have been made to section 17A by sections 48 and 59 of, and Schedules 7 and 14 to, that Act.

- (1) 2001 c.11. Section 6B was amended by sections 9, 24 and 58 of, and paragraphs 9 and 10 of Schedule 2 and Part 1 of Schedule 7 to, the Welfare Reform Act 2009 (c.24), sections 31, 33, 113, 118, 119, 121 and 147 of, paragraphs 56 and 58 of Schedule 2, paragraphs 15 and 16 of Schedule 3, Parts 1 and 12 of Schedule 14, to the Welfare Reform Act 2012 (c.5), of which only those made by section 113(1)(b), 118(1) to (4) and 119 are in force. Section 7 was amended by section 14 of, and Part 3 of Schedule 3 to, the State Pension Credit Act 2002 (c.16), sections 28 and 49 of, and paragraph 23 of Schedule 3 to, the Welfare Reform Act 2007 (c.5), sections 9, 24 and 58 of, and paragraphs 9 and 11 of Schedule 2, Part 1 of Schedule 4 and Part 1 of Schedule 7 to, the Welfare Reform Act 2009 (of which those made by sections 9, 31 and Schedule 7 are not yet in force); S.I. 2011/2298; sections 31, 33, 118 119 and 147 of, and paragraphs 56 and 59 of Schedule 2, paragraphs 15 to 17 of Schedule 3 and Part 1 of Schedule 14 to, Welfare Reform Act 2012, of which only those made by section 118 and 119 are in force. Section 8 has been repealed by section 147 of, and Part 1 of Schedule 14, to the Welfare Reform Act 2012, but that repeal is not yet in force. Amendments have also been made by sections 1, 24 and 58 of, and Part 1 of Schedule 4 and Part 3 of Schedule 7 to, the Welfare Reform Act 2009, sections 31, 48, 113 and 147 of, and paragraphs 56 and 60 of Schedule 2, paragraph 12 of Schedule 7 and Part 12 of Schedule 14 to, the Welfare Reform Act 2012, of which only those made by section 113 are in force. Section 9 was amended by section 14 of, and Part 3 of Schedule 2 to, the State Pension Credit Act 2002; section 28 of, and paragraph 23 of Schedule 3 to, the Welfare Reform Act 2007, sections 9, 24 and 58 of, and Part 1 of Schedule 7 to the Welfare Reform Act 2009, none of which are in force, sections 31, 113 and 147 of, and paragraphs 56 to 61 of Schedule 2 and Part 1 of Schedule 14 to, the Welfare Reform Act 2012, of which only those made by section 113 are in force.

related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act 2007⁽¹⁾ (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 that person or would be payable to that person but for section 18 of that Act.

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

(6) In this scheme, references to any person in receipt of state pension credit include a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002⁽²⁾ (small amounts of state pension credit).

Application of scheme: pensioners and persons who are not pensioners

3.—(1) This scheme applies to—

- (a) pensioners who fall within class A or B⁽³⁾; and
- (b) persons who are not pensioners who fall within class C or D⁽⁴⁾.

(2) In this scheme—

- (a) a person is a “pensioner” (“*pensiynwr*”) if—
 - (i) that person has attained the qualifying age for state pension credit; and
 - (ii) that person is not, and, if that person has a partner, that person’s 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

(1) 2007 c.5.

(2) S.I. 2002/1792.

(3) See paragraphs 13 and 14 of this scheme.

(4) See paragraphs 15 and 16 of this scheme.

- (b) a person is a “person who is not a pensioner” (“*person nad yw’n bensiynwr*”) if—
 - (i) that person has not attained the qualifying age for state pension credit; or
 - (ii) that person has attained the qualifying age for state pension credit and that person, or if that person has a partner, that person’s partner, is—
 - (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.

Meaning of “couple”

4. In this scheme “couple” (“*cwpl*”) means—

- (a) two people who are either married to, or civil partners of, each other and who are members of the same household;
- (b) two people who are living together as if they are a married couple.

Polygamous marriages

5.—(1) 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.

(2) For the purposes of paragraph 4 (meaning of “couple”) neither party to the marriage is to be taken to be a member of a couple.

Meaning of “family”

6.—(1) In this scheme “family” (“*teulu*”) 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⁽¹⁾ applies for the purposes of entitlement to child benefit, but only for the period prescribed under section 145A(1).

(3) The references to a young person in 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 or has an award of universal credit; or
- (b) a person to whom section 6 of the Children (Leaving Care) Act 2000⁽²⁾ (exclusion from benefits) applies.

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

7.—(1) A person is to be treated as responsible for a child or young person who is normally living with that person, 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 the child or young person 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 that child or young person, the person who made that claim; or
 - (ii) in any other case the person who has the primary responsibility for that child or young person.

(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 paragraph is to be treated as not so responsible.

Households

8.—(1) Subject to sub-paragraphs (2) and (3), an applicant and any partner and, where the applicant or the applicant's partner is treated (by virtue of

(1) Section 145A inserted by the Tax Credits Act 2002 (c.21), section 55(1).
(2) 2000 c.35.

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 be treated as a member of the applicant's household where that child or young person is—

- (a) placed with the applicant or the applicant's partner by a local authority under section 22C or 23(2)(a) of the Children Act 1989⁽¹⁾ or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out with the applicant or the applicant's partner under a relevant enactment; or
- (b) placed, or in Scotland boarded out, with the applicant or the applicant's partner prior to adoption; or
- (c) placed for adoption with the applicant or the applicant's partner in accordance with the Adoption and Children Act 2002⁽²⁾, or the Adoption Agencies (Scotland) Regulations 2009⁽³⁾, or the Adoption (Northern Ireland) Order 1987⁽⁴⁾.

(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, or the Adoption (Northern Ireland) Order 1987.

(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—

(1) 1989 c.41; Section 23 was substituted by sections 22A to 22F by section 8(1) of the Children and Young Persons Act 2008 (c.23). Section 22C is in force in England but only section 22C(11) is in force in Wales. Section 59(1)(a) was amended by section 49 of the Children Act 2004 (c.31) and paragraph 2 of Schedule 1 to the Children and Young Persons Act 2008.

(2) 2002 c.38.

(3) S.I. 2009/154.

(4) S.I. 1987/2203 (N.I. 22).

- (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” (*“deddfiad perthnasol”*) means—

- (a) the Army Act 1955(1);
- (b) the Air Force Act 1955(2);
- (c) the Naval Discipline Act 1957(3);
- (d) the Matrimonial Proceedings (Children) Act 1958(4);
- (e) the Social Work (Scotland) Act 1968(5);
- (f) the Family Law Reform Act 1969(6);
- (g) the Children and Young Persons Act 1969(7);
- (h) the Matrimonial Causes Act 1973(8);
- (i) the Children Act 1975(9);
- (j) the Domestic Proceedings and Magistrates' Courts Act 1978(10);
- (k) the Adoption and Children (Scotland) Act 2007(11);
- (l) the Family Law Act 1986(12);
- (m) the Children Act 1989(13);
- (n) the Children (Scotland) Act 1995(14);
- (o) the Armed Forces Act 2006(15); and
- (p) the Legal Aid, Sentencing and Punishment of Offenders Act 2012(16).

Non-dependants

9.—(1) In this scheme, “non-dependant” (*“annibynnydd”*) means any person, except someone to whom sub-paragraph (2) applies, who normally resides

(1)	1955 c.18.
(2)	1955 c.19.
(3)	1957 c.53.
(4)	1958 c.40.
(5)	1968 c.49.
(6)	1969 c.46.
(7)	1969 c.54.
(8)	1973 c.18.
(9)	1975 c.72; this Act was repealed in respect of England and Wales by Schedule 15 to the Children Act 1989 (c.41). It continues to have effect in Scotland.
(10)	1978 c.22
(11)	2007 asp 4.
(12)	1986 c.55.
(13)	1989 c.41.
(14)	1995 c.36.
(15)	2006 c.52.
(16)	2012 c.10.

with an applicant or with whom an applicant normally resides.

(2) This sub-paragraph applies to—

- (a) any member of the applicant's family;
- (b) if the applicant is polygamously married, any partner of the applicant and any child or young person who is a member of the applicant's household and for whom the applicant or one of the applicant's partners is responsible;
- (c) a child or young person who is living with the applicant but who is not a member of the applicant's 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 sections 6 or 7 of the 1992 Act⁽¹⁾ (persons (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 the applicant or a partner of the applicant, and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or the applicant's 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 (P) who resides with the person (O) to whom P is liable to make payments in respect of the dwelling and either—
 - (i) O is a close relative of P's or P's 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 council tax reduction scheme except someone who was, for any period within the eight weeks prior to the

(1) 1992 c.14; subsections (2) and (8) of section 6 were amended by article 2 of, and paragraph 8 of the Schedule to, S.I. 1997/74.

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 that person becoming so liable, a nondependent 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 council tax reduction scheme.

Remunerative work

10.—(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 that person is engaged, or, where that person's hours of work fluctuate, that person is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.

(2) Subject to sub-paragraph (3), in determining the number of hours for which a person is engaged in work where that person's hours of work fluctuate, regard must be had to the average of hours worked over—

- (a) if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
- (b) in any other case, the period of 5 weeks immediately prior to the date of application, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately.

(3) Where, for the purposes of sub-paragraph (2)(a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which that person does not work, those periods and any other periods not forming part of such holidays or vacations during which that person is not required to work must be disregarded in establishing the average hours for which that person is engaged in work.

(4) Where no recognisable cycle has been established in respect of a person's work, regard

must be had to the number of hours or, where those hours will fluctuate, the average of the hours, which that person is expected to work in a week.

(5) A person must be treated as engaged in remunerative work during any period for which that person is absent from work referred to in subparagraph (1) if the absence is either without good cause or by reason of a recognised, customary or other holiday.

(6) A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3 days in any reduction week is to be treated as not being in remunerative work in that week.

(7) A person must not be treated as engaged in remunerative work on any day on which that person is on maternity leave, paternity leave or adoption leave, or is absent from work because that person is ill.

(8) A person must not be treated as engaged in remunerative work on any day on which that person is engaged in an activity in respect of which—

- (a) a sports award has been made, or is to be made, to that person; and
- (b) no other payment is made or is expected to be made to that person.

PART 3

Procedural matters

Procedure for reduction applications and appeals against reduction decisions

11. Schedule 1 contains provisions about the procedure—

- (a) by which a person may apply for a reduction under this scheme;
- (b) by which a person may make an appeal against certain decisions of the authority;
- (c) by which a person can apply to the authority for a reduction under section 13A(1)(c) of the 1992 Act.

PART 4

Classes of person entitled to a reduction under this scheme

Classes of person entitled to a reduction under this scheme

12.—(1) The classes of person described in paragraphs 13 to 16 are entitled to a reduction under this scheme.

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

Class A: pensioners whose income is less than the applicable amount

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

- (a) who is for that day liable to pay council tax in respect of a dwelling of which the person is a resident;
- (b) who, subject to paragraph 17 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person not entitled to a reduction under this scheme;
- (e) whose income (if any) for the relevant week does not exceed the person's applicable amount; and
- (f) who has made an application.

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

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

- (a) who is for that day liable to pay council tax in respect of a dwelling of which the person is a resident;
- (b) who, subject to paragraph 17 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person not entitled to a reduction under this scheme;

- (e) whose income for the relevant week is greater than the person's applicable amount;
- (f) in respect of whom amount A exceeds amount B where—
 - (i) amount A is the maximum council tax reduction in respect of the day in the person's case; and
 - (ii) amount B is $2\frac{6}{7}$ per cent of the difference between the person's income for the relevant week and the person's applicable amount; and
- (g) who has made an application.

Class C: persons who are not pensioners whose income is less than the applicable amount

15. On any day class C consists of any person who is not a pensioner—

- (a) who is for that day liable to pay council tax in respect of a dwelling of which the person is a resident;
- (b) who, subject to paragraph 17 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person not entitled to a reduction under this scheme;
- (e) whose income (if any) for the relevant week is less than the person's applicable amount; and
- (f) who has made an application.

Class D: persons who are not pensioners whose income is greater than the applicable amount

16. On any day class D consists of any person who is not a pensioner—

- (a) who is for that day liable to pay council tax in respect of a dwelling of which the person is a resident;
- (b) who, subject to paragraph 17 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person not entitled to a reduction under this scheme;

- (e) whose income for the relevant week is greater than the person's applicable amount;
- (f) in respect of whom amount A exceeds amount B where—
 - (i) amount A is the maximum council tax reduction in respect of the day in the person's case; and
 - (ii) amount B is $2\frac{6}{7}$ per cent of the difference between the person's income for the relevant week and the person's applicable amount; and
- (g) who has made an application.

Periods of absence from a dwelling

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

(2) In sub-paragraph (1), a “period of temporary absence” (“*cyfnod o absenoldeb*”) 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 the person usually resides 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 the person has entered the accommodation for the purpose of ascertaining whether it suits the person's needs and with the intention of returning to the dwelling if it proves not to suit the person's needs;

- (b) a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as—
 - (i) the person intends to return to the dwelling;
 - (ii) the part of the dwelling in which the person 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 the person usually resided is not let or sub-let;
- (iii) the person is a person to whom sub-paragraph (3) applies; and
- (iv) the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

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

- (a) is detained in custody on remand pending trial or required, as a condition of bail, to reside—
 - (i) in a dwelling, other than the dwelling referred to in sub-paragraph (1); or
 - (ii) in premises approved under section 13 of the Offender Management Act 2007⁽¹⁾;

or is detained in custody pending sentence upon conviction;

- (b) is resident in a hospital or similar institution as a patient;
- (c) is undergoing, or whose partner or dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
- (d) is following, in the United Kingdom or elsewhere, a training course;
- (e) is undertaking medically approved care of a person residing in the United Kingdom or elsewhere;
- (f) is undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care or medical treatment;
- (g) is, in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;
- (h) is a student;
- (i) is receiving care provided in residential accommodation and is not a person to whom sub-paragraph (2)(a) applies; or

(1) 2007 c.21.

- (j) has left the dwelling the person resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of that person.

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

- (a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983⁽¹⁾, or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003⁽²⁾ or the Criminal Procedure (Scotland) Act 1995⁽³⁾, or in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986⁽⁴⁾; and
- (b) on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952⁽⁵⁾ or the Prisons (Scotland) Act 1989⁽⁶⁾.

(5) Where sub-paragraph (4) applies to a person, then, for any day when that person 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), that person must be treated, for the purposes of sub-paragraph (1), as if that person continues to be absent from the dwelling, despite any return to the dwelling;
- (b) for the purposes of sub-paragraph (3)(a), that person must be treated as if that person remains in detention;
- (c) if that person does not fall within paragraph (a), that person is not to be considered to be a person who is liable to pay council tax in respect of a dwelling of which that person is a resident.

(6) In this paragraph—

“medically approved” (“*a gymeradwywyd yn feddygol*”) means certified by a medical practitioner;

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

(1) 1983 c.20.
(2) 2003 asp 13.
(3) 1995 c.46.
(4) S.I. 1986/595 (N.I. 4).
(5) 1952 c.52.
(6) 1989 c.45.

“residential accommodation” (“*llety preswyl*”) 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” (“*cwrs hyfforddi*”) 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, the Welsh Ministers or the Secretary of State.

PART 5

Classes of person excluded from this scheme

Classes of person excluded from this scheme

18. The classes of person described in paragraphs 19 to 22 are not entitled to a reduction under this scheme.

Class of person excluded from this scheme: persons treated as not being in Great Britain

19.—(1) The class of person described in this paragraph consists of any person treated as not being in Great Britain.

(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 Article 6 of Council Directive No. 2004/38/EC⁽¹⁾;

(1) OJ No. L 158, 30.4.04, p.77.

- (b) 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(1) of those Regulations, or
 - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
 - (c) Article 45 of the Treaty on the Functioning of the European Union (in a case where the person is seeking work in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland); or
 - (d) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (4A) of that regulation or Article 20 of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen)(1).
- (5) A person falls within this sub-paragraph if the person is—
- (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
 - (b) a family member of a person referred to in paragraph (a) within the meaning of regulation 7(1)(a), (b) or (c) of the EEA Regulations;
 - (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;
 - (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 adopted at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees adopted at New York on 31 January 1967;
 - (e) a person granted limited leave to enter or remain in the United Kingdom outside the provisions of the rules made under section

(1) A consolidated version of this Treaty was published in the Official Journal on 30.3.2010 C 83.

3(2) of the Immigration Act 1971⁽¹⁾ on the rejection of their claim for asylum;

- (f) a person who has humanitarian protection granted under those rules;
- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999⁽²⁾ and who is in the United Kingdom as a result of the person's deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
- (h) a person in Great Britain who left the territory of Montserrat after 1 November 1995 because of the effect on that territory of a volcanic eruption;
- (i) a person who—
 - (i) arrived in Great Britain on or after the 28 February 2009 but before 18 March 2011;
 - (ii) immediately before arriving there had been resident in Zimbabwe; and
 - (iii) before leaving Zimbabwe had accepted an offer, made by Her Majesty's Government, to assist that person to move to and settle in the United Kingdom; or
- (j) a person who is in receipt of income support, an income-based jobseeker's allowance or on an income-related employment and support allowance.

(6) A person falls within this sub-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 paragraph—

"claim for asylum" ("*hawliad am loches*") has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999⁽³⁾;

(1) 1971 c.77.

(2) 1999 c.33.

(3) Relevant amendments to section 94(1) have been made by section 44 of the Nationality, Immigration and Asylum Act 2002 (c.41) but those provisions are not in force. Other amendments have been made but they are not relevant to these Regulations.

“EEA Regulations” (“*Rheoliadau AEE*”) means the Immigration (European Economic Area) Regulations 2006⁽¹⁾.

Class of person excluded from this scheme: persons subject to immigration control

20.—(1) Subject to sub-paragraph (2), persons subject to immigration control are not entitled to a reduction under this scheme.

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

(3) “Person subject to immigration control” (“*person sy’n ddarostyngedig i reolaeth fewnfudo*”) has the meaning given in section 115(9) of the Immigration and Asylum Act 1999.

Class of person excluded from this scheme: capital limit

21.—(1) The class of person described in this paragraph consists of any person whose capital exceeds £16,000⁽²⁾.

(2) Capital for the purposes of sub-paragraph (1) is to be calculated in accordance with Part 9 of this scheme.

Class of person excluded from this scheme: students

22. The class of person described in this paragraph consists of any student to whom paragraph 72(1) of this scheme applies.

(1) S.I. 2006/1003; relevant amending instruments are S.I. 2011/544, 2012/1547, 2012/2560.

(2) See Part 9, Chapters 1 to 7, of this scheme in relation to the capital of an applicant and the calculation of tariff income from capital.

PART 6

Applicable amounts for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

Applicable amounts: pensioners (including pensioners in polygamous marriages)

23.—(1) The applicable amount for a pensioner⁽¹⁾ for a week is the aggregate of such of the following amounts as apply in that person's case—

- (a) an amount in respect of the person, or if that person is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 of Schedule 2 (personal allowance);
- (b) an amount in respect of any child or young person who is a member of the person's family, determined in accordance with paragraph 2 of that Schedule (child or young person amounts);
- (c) if the person is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of that Schedule (family premium);
- (d) the amount of any premiums which may be applicable to the person, determined in accordance with Parts 3 and 4 of that Schedule (premiums).

(2) In Schedule 2—

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

“patient” (“*claf*”) 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⁽²⁾.

Applicable amounts: persons who are not pensioners

24.—(1) Subject to paragraphs 25 and 26, the applicable amount for a week for a person who is not a pensioner is the aggregate of such of the following amounts as may apply in the person's case—

-
- (1) Including pensioners in polygamous marriages, by virtue of paragraph 5 of this scheme.
 - (2) S.I. 2005/3360.

- (a) an amount in respect of the person or, if that person is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 of Schedule 3 (personal allowances);
- (b) an amount in respect of any child or young person who is a member of the person's family, determined in accordance with paragraph 3 of that Schedule (child or young person amounts);
- (c) if the person is a member of a family of which at least one member is a child or young person, an amount determined in accordance with Part 2 of that Schedule (family premium);
- (d) the amount of any premiums which may be applicable to the person, determined in accordance with Parts 3 and 4 of that Schedule (premiums);
- (e) the amount of either the—
 - (i) work-related activity component; or
 - (ii) support component,

which may be applicable to the person in accordance with Parts 5 and 6 of that Schedule (the components);

- (f) the amount of any transitional addition which may be applicable to the person in accordance with Parts 7 and 8 of that Schedule (transitional addition).

(2) In Schedule 3—

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

“converted employment and support allowance” (“*lwfans cyflogaeth a chymorth a droswyd*”) means an employment and support allowance which is not income-related and to which a person is entitled as a result of a conversion decision within the meaning of the Employment and Support Allowance (Existing Awards) Regulations 2008⁽¹⁾;

“patient” (“*claf*”) 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⁽²⁾.

(1) S.I. 2008/794.
 (2) S.I. 2005/3360.

Polygamous marriages: persons who are not pensioners

25.—(1) This paragraph applies where an applicant who is not a pensioner is a member of a polygamous marriage and does not have (alone or jointly with a party to a marriage), an award of universal credit.

(2) The applicable amount for a week of an applicant where this paragraph applies is the aggregate of such of the following amounts as may apply in that applicant's case—

- (a) the amount applicable to the applicant and one of the applicant's partners determined in accordance with paragraph 1(3) of Schedule 3 (couple) as if the applicant and that partner were a couple;
- (b) an amount equal to the difference between the amounts specified in sub-paragraphs (3) and (1)(b) of paragraph 1 of that Schedule in respect of each of the applicant's other partners;
- (c) an amount determined in accordance with paragraph 3 of that Schedule (child or young person amounts) in respect of any child or young person for whom the applicant or a partner of the applicant is responsible and who is a member of the same household;
- (d) if the applicant or another partner of the polygamous marriage is responsible for a child or young person who is a member of the same household, the amount specified in Part 2 of that Schedule (family premium);
- (e) the amount of any premiums which may be applicable to the applicant determined in accordance with Parts 3 and 4 of that Schedule (premiums);
- (f) the amount of either the—
 - (i) work-related activity component; or
 - (ii) support component,

which may be applicable to the applicant in accordance with Parts 5 and 6 of that Schedule (the components);

- (g) the amount of any transitional addition which may be applicable to the applicant in accordance with Parts 7 and 8 of that Schedule (transitional addition).

Applicable amount: persons who are not pensioners who have an award of universal credit

26.—(1) Subject to sub-paragraph (2), in determining the applicable amount for a week of an applicant who is not a pensioner—

- (a) who has, or
- (b) who (jointly with a partner) has,

an award of universal credit, the authority will use the calculation or estimate of the maximum amount of the applicant, or the applicant and the applicant's partner jointly (as the case may be), subject to the adjustment described in sub-paragraph (3).

(2) In determining the applicable amount for a week of an applicant who is a member of a polygamous marriage, the fact that two people are husband and wife is to be disregarded if—

- (a) one of them is a party to an earlier marriage that still subsists; and
- (b) the other party to that earlier marriage is living in the same household.

(3) The adjustment referred to in sub-paragraph (1) is to multiply the maximum amount by 12 and divide the product by 52.

(4) In this paragraph “maximum amount” (“*swm uchaf*”) means the maximum amount calculated by the Secretary of State in accordance with section 8(2) of the Welfare Reform Act 2012⁽¹⁾.

(1) 2012 c.5.

PART 7

Maximum council tax reduction for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

Maximum council tax reduction under this scheme: pensioners and persons who are not pensioners

27.—(1) Subject to sub-paragraphs (2) to (4), the amount of 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 the person is a resident and for which the person is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and
- (b) B is the number of days in that financial year,

less any deductions in respect of non-dependants which fall to be made under paragraph 28 (non-dependant deductions: pensioners and persons who are not pensioners).

(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 the applicant is resident with one or more other persons, in determining the maximum council tax reduction in the applicant's case in accordance with sub-paragraph (1), the amount A is to be divided by the number of persons who are jointly and severally liable for that tax.

(4) Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only a partner, sub-paragraph (3) does not apply in that applicant's case.

(5) The reference in sub-paragraph (3) to a person with whom an applicant is jointly and severally liable for council tax, where the applicant is a person who is not a pensioner, does not include a student to whom paragraph 72(1) (students who

are excluded from entitlement to a reduction under this scheme) applies.

(6) In this paragraph “relevant financial year” (*“blwyddyn ariannol berthnasol”*) means, in relation to any particular day, the financial year within which the day in question falls.

Non-dependant deductions: pensioners and persons who are not pensioners

28.—(1) Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in paragraph 27 are—

- (a) in respect of a non-dependant aged 18 or over in remunerative work, £10.95 x 1/7;
- (b) in respect of a non-dependant aged 18 or over to whom paragraph (a) does not apply, £3.65 x 1/7.

(2) In the case of a non-dependant aged 18 or over to whom sub-paragraph (1)(a) applies, where it is shown to the authority that that non-dependant’s normal gross weekly income is—

- (a) less than £186.00, the deduction to be made under this paragraph is that specified in sub-paragraph (1)(b);
- (b) not less than £186.00 but less than £322.00, the deduction to be made under this paragraph is £7.25 x 1/7;
- (c) not less than £322.00 but less than £401.00, the deduction to be made under this paragraph is £9.15 x 1/7.

(3) Only one deduction 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.

(4) In applying the provisions of sub-paragraph (2) in the case of a couple or, as the case may be, a polygamous marriage, regard must be had, for the purpose of that sub-paragraph, to the couple’s or, as the case may be, all members of the polygamous marriage’s joint weekly gross income.

(5) Where in respect of a day—

- (a) a person is a resident in a dwelling but that person is not liable for council tax in respect of that dwelling and that day;
- (b) other residents in that dwelling (the liable persons) have joint and several liability for

council tax in respect of that dwelling and that day otherwise than by virtue of section 9 of the 1992 Act (liability of spouses and civil partners); and

- (c) the person to whom paragraph (a) refers is a non-dependant of two or more of the liable persons,

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

(6) No deduction is to be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or the applicant's partner is—

- (a) blind or treated as blind by virtue of paragraph 10 of Schedule 3 (additional condition for the disability premium); or
- (b) receiving in respect of the applicant—
 - (i) attendance allowance, or would be receiving that allowance but for—
 - (aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (bb) an abatement as a result of hospitalisation; or
 - (ii) the care component of the disability living allowance, or would be receiving that component but for—
 - (aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (bb) an abatement as a result of hospitalisation; or
 - (iii) the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012⁽¹⁾ (hospital in-patients); or
 - (iv) an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution.

(7) No deduction is to be made in respect of a non-dependant if—

- (a) although that non-dependant resides with the applicant, it appears to the authority

(1) 2012 c.5.

- that that non-dependant's normal home is elsewhere; or
- (b) the non-dependant is in receipt of a training allowance paid in connection with youth training established under section 2 of the Employment and Training Act 1973⁽¹⁾ or section 2 of the Enterprise and New Towns (Scotland) Act 1990⁽²⁾; or
 - (c) the non-dependant is a full-time student within the meaning of Part 10 (Students); or
 - (d) the non-dependant is not residing with the applicant because the non-dependant has been a patient for a period in excess of 52 weeks, and for these purposes—
 - (i) “patient” (“*claf*”) has the meaning given in paragraph 17(6) of this scheme, 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, that person is to be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods.
- (8) No deduction is to be made in respect of a non-dependant—
- (a) who is on income support, state pension credit, an income-based jobseeker's allowance or an income related employment and support allowance; or
 - (b) to whom Schedule 1 to the 1992 Act applies (persons disregarded for purposes of discount); but this paragraph does not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers.
- (9) In the application of sub-paragraph (2) there is to be disregarded from the non-dependant's weekly gross income—
- (a) any attendance allowance, disability living allowance, personal independence payment or AFIP received by the non-dependant;

(1) 1973 c.50; section 2 was substituted by section 25 of the Employment Act 1988 (c.19) and subsequently amended by section 29 of , and Part 1 of Schedule 7 to, the Employment Act 1989 (c.38) and, in relation to Scotland only, section 47 of the Trade Union Reform and Employment Rights Act 1993 (c.19).

(2) 1990 c.35; section 2 was amended by section 47 of the Trade Union Reform and Employment Rights Act 1993 (c.19); article 4 of, and paragraph 100 of Schedule 2 to, S.I. 1999/1820; and paragraph 20 of Schedule 26 to the Equality Act 2010 (c.15).

- (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 the non-dependant's income fallen to be calculated under paragraph 51 (calculation of income other than earnings: persons who are not pensioners), would have been disregarded under paragraph 28 of Schedule 7 (income in kind); and
- (c) any payment which, had the non-dependant's income fallen to be calculated under paragraph 51 (calculation of income other than earnings: persons who are not pensioners), would have been disregarded under paragraph 41 of Schedule 7 (payments made under certain trusts and certain other payments).

PART 8

Amount of reduction under this scheme

Amount of reduction under this scheme: Classes A to D

29.—(1) Where a person is entitled to a reduction under this scheme in respect of a day, the amount of the reduction to which that person is entitled is as follows.

(2) Where the person is within class A or C, that amount is the amount which is the maximum council tax reduction in respect of the day in the person's case.

(3) Where the person is within class B or D, that amount is the amount found by deducting amount B from amount A, where "amount A" and "amount B" have the meanings given in paragraph 14(f) or 16(f), as the case may be.

PART 9

Income and capital for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

CHAPTER 1

Income and capital: general

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

30.—(1) The income and capital of—

- (a) an applicant; and

(b) any partner of that applicant,
is to be calculated in accordance with the provisions of this Part.

(2) The income and capital of any partner of the applicant is to be treated as income and capital of the applicant, and in this Part any reference to the applicant applies equally to any partner of that applicant.

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

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

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

31.—(1) Sub-paragraph (2) applies where it appears to the authority that a non-dependant and an applicant have entered into arrangements in order to take advantage of this scheme and the non-dependant has more income and capital than the applicant.

(2) Except where—

- (a) the applicant is a pensioner and is on a guarantee credit, or
- (b) the applicant is not a pensioner and 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 capital and income which the applicant does possess is to be disregarded.

(3) Where an applicant is treated as possessing capital and income belonging to a non-dependant under sub-paragraph (2) the capital and income of that non-dependant will 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" (*"ceisydd"*) is to be construed for the purposes of this Part as if it were a reference to that non-dependant.

CHAPTER 2

Income and capital: pensioners in receipt of guarantee credit or savings credit

Pensioners in receipt of guarantee credit

32. In the case of an applicant who is a pensioner and who is in receipt, or whose partner is in receipt, of a guarantee credit, the whole of the applicant's capital and income must be disregarded.

Calculation of pensioner's income in savings credit only cases

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

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

- (a) the amount of any savings credit payable;
- (b) in respect of any dependent children of the applicant, child care charges taken into account under paragraph 54(1)(c) (calculation of income on a weekly basis);
- (c) the higher amount disregarded under this scheme in respect of—
 - (i) lone parent's earnings; or
 - (ii) payments of maintenance, whether under a court order or not, which is 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;

(1) See paragraph 21 for the capital limit for eligibility of £16,000.

- (d) any amount to be disregarded by virtue of paragraph 10(1) of Schedule 4 (sums disregarded from applicant's earnings);
- (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 claiming state pension credit;
- (f) paragraph 31 (circumstances in which capital and income of a non-dependant is to be treated as applicant's), if the authority determines that that provision applies in the applicant's case;
- (g) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act⁽¹⁾ (power of billing authority to reduce amount of council tax payable);
- (h) any amount to be disregarded by virtue of paragraph 6 of Schedule 4 (sums to be disregarded from applicant's income: pensioners).

(3) Paragraphs 37 to 42 (calculation of income: pensioners), and 54 to 58 (calculation of income: pensioners and persons who are not pensioners) do not apply to the amount of the net income to be taken into account under sub-paragraph (1), but do apply (so far as relevant) for the purpose of determining any adjustments to that amount which the authority makes under sub-paragraph (2).

(4) If sub-paragraph (5) applies, the authority must calculate the applicant's capital in accordance with paragraphs 60, 62 to 65 and 67 of this scheme (calculation of capital: pensioners).

(5) This sub-paragraph applies if—

- (a) the Secretary of State notifies the authority that the applicant's capital has been determined as being £16,000 or less or the authority determines the applicant's capital as being £16,000 or less;
- (b) subsequent to that determination the applicant's capital rises to more than £16,000; and
- (c) the increase occurs whilst there is in force an assessed income period within the meaning of sections 6 and 9 of the State Pension Credit Act 2002⁽²⁾.

(1) Section 13A was substituted by section 10 of the Local Government Finance Act 2012 (c.17).

(2) 2002 c.16.

CHAPTER 3

Income and capital where there is an award of universal credit

Calculation of income and capital: persons who are not pensioners who have an award of universal credit

34.—(1) In determining the income of an applicant—

- (a) who has, or
- (b) who (jointly with a 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 income of the applicant, or the applicant and the applicant's 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) The authority must only adjust the amount of the income as adjusted in accordance with sub-paragraph (2) so far as necessary to take into account—

- (a) the amount of the award of universal credit, determined in accordance with sub-paragraph (4);
- (b) paragraph 31 (income and capital of non-dependant to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;
- (c) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable).

(4) The amount for the award of universal credit to be taken into account for the purposes of sub-paragraph (3)(a) is to be determined by multiplying the amount of the award of universal credit by 12 and dividing the product by 52.

(5) Paragraph 31 (income and capital of non-dependant to be treated as applicant's) applies for the purpose of determining any adjustments which fall to be made to the figure for income under sub-paragraph (3).

(6) In determining the capital of an applicant—

- (a) who has, or
- (b) who (jointly with a partner) has,

an award of universal credit, the authority must use the calculation or estimate of the capital of the applicant, or the applicant and the applicant's partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit⁽¹⁾.

CHAPTER 4

Income: other pensioners

Calculation of income and capital where state pension credit is not payable: pensioners

35. Where neither paragraph 32 (pensioner in receipt of guarantee credit) nor 33 (applicant in receipt of savings credit only: pensioners) applies in the applicant's case, the applicant's income and capital is to be calculated or estimated in accordance with paragraphs 36 to 43, and 54 to 59 (calculations of income) and Chapter 7 of this Part (calculation of capital).

Meaning of "income": pensioners

36.—(1) For the purposes of classes A and B in this scheme, "income" ("*incwm*") means income of any of the following descriptions—

- (a) earnings;
- (b) working tax credit;
- (c) retirement pension income within the meaning of the State Pension Credit Act 2002;
- (d) income from annuity contracts (other than retirement pension income);
- (e) a war disablement pension or war widow's or widower's pension;
- (f) a foreign war disablement pension or war widow's or widower's pension;
- (g) a guaranteed income payment;
- (h) a payment made under article 29(1)(c) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011⁽²⁾, in any case where article 31(2)(c) applies;
- (i) income from capital other than capital disregarded under Part 1 of Schedule 8;
- (j) social security benefits, other than retirement pension income or any of the following benefits—
 - (i) disability living allowance;

(1) See paragraph 21 for the capital limit for eligibility of £16,000.

(2) S.I. 2011/517.

- (ii) personal independence payment;
- (iii) an AFIP;
- (iv) attendance allowance payable under section 64 of the SSCBA (entitlement to attendance allowance);
- (v) an increase of disablement pension under section 104 (increase for constant attendance) or 105 of the SSCBA (increase for exceptionally severe disablement);
- (vi) child benefit;
- (vii) any guardian's allowance payable under section 77 of the SSCBA (guardian's allowance);
- (viii) any increase for a dependant, other than the applicant's partner, payable in accordance with Part 4 of the SSCBA (increases for dependants);
- (ix) any—
 - (aa) social fund payment made under Part 8 of the SSCBA (the social fund); or
 - (bb) occasional assistance;
- (x) Christmas bonus payable under Part 10 of the SSCBA (Christmas bonus for pensioners);
- (xi) housing benefit;
- (xii) council tax benefit;
- (xiii) bereavement payment;
- (xiv) statutory sick pay;
- (xv) statutory maternity pay;
- (xvi) ordinary statutory paternity pay payable under Part 12ZA of the SSCBA (statutory paternity pay)(1);
- (xvii) additional statutory paternity pay payable under Part 12ZA of the SSCBA;
- (xviii) statutory adoption pay payable under Part 12ZB of the SSCBA (statutory adoption pay);
- (xix) any benefit similar to those mentioned in the preceding provisions of this paragraph payable under legislation having effect in Northern Ireland;
- (k) all foreign social security benefits which are similar to the social security benefits prescribed above;
- (l) a payment made—

(1) Part 12ZA was inserted by section 2 and Part 12ZB was inserted by section 4 of the Employment Act 2002 (c.22).

- (i) under article 30 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006⁽¹⁾, in any case where article 30(1)(b) applies; or
- (ii) under article 12(8) of that Order (unemployability allowances: children who have reached the child's age limit), in any case where sub-paragraph (b) of article 12(8) applies;
- (m) a 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;
- (n) payments under a scheme made under the Pneumoconiosis etc (Worker's Compensation) Act 1979⁽²⁾;
- (o) payments made towards the maintenance of the applicant by the applicant's spouse, civil partner, former spouse or former civil partner or towards the maintenance of the applicant's partner by that person's spouse, civil partner, former spouse or former civil partner, including payments made—
 - (i) under a court order;
 - (ii) under an agreement for maintenance; or
 - (iii) voluntarily;
- (p) payments due from any person in respect of board and lodging accommodation provided by the applicant;
- (q) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;
- (r) any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982⁽³⁾; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982;
- (s) any payment, other than a payment ordered by a court or made in settlement of a claim, made by or on behalf of a former employer of a person on account of the early

(1) S.I. 2006/606.

(2) 1979 c.41.

(3) The Public Lending Scheme is appended to S.I. 1982/719; it was substituted by Appendix 2 to S.I. 1990/2360. Amendments have since been made to it but they are not relevant to these Regulations.

- retirement of that person on grounds of ill-health or disability;
- (t) any sum payable by way of pension out of money provided under—
 - (i) the Civil List Act 1837⁽¹⁾;
 - (ii) the Civil List Act 1937⁽²⁾;
 - (iii) the Civil List Act 1952⁽³⁾;
 - (iv) the Civil List Act 1972⁽⁴⁾; or
 - (v) the Civil List Act 1975⁽⁵⁾;
- (u) any income in lieu of that specified in paragraphs (a) to (r);
- (v) any payment of rent made to an applicant who—
 - (i) owns the freehold or leasehold interest in any property or is a tenant of any property;
 - (ii) occupies part of the property; and
 - (iii) has an agreement with another person allowing that person to occupy that property on payment of rent;
- (w) any payment made at regular intervals under an equity release scheme;
- (x) PPF periodic payments within the meaning of section 17(1) of the State Pension Credit Act 2002.

(2) Where the payment of any social security benefit referred to in sub-paragraph (1) is subject to any deduction (other than an adjustment specified in sub-paragraph (4)) the amount to be taken into account under sub-paragraph (1) is to be the amount before the deduction is made.

(3) Where an award of any working tax credit or child tax credit is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under sub-paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

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

- (a) the Social Security (Overlapping Benefits) Regulations 1979⁽⁶⁾;
- (b) the Social Security (Hospital In-Patients) Regulations 2005⁽¹⁾;

(1)	1837 c.2.
(2)	1937 c.32.
(3)	1952 c.37.
(4)	1972 c.7.
(5)	1975 c.82.
(6)	S.I. 1979/597.

- (c) section 30DD or section 30E of the SSCBA(2) (reductions in incapacity benefit in respect of pensions and councillor's allowances);
- (d) section 3 of the Welfare Reform Act 2007 (deductions from contributory employment and support allowance in respect of pensions and councillor's allowances) and regulations made under it.

(5) In sub-paragraph (1)(w), "equity release scheme" ("*cynllun rhyddhau ecwiti*") means a loan—

- (a) made between a person ("the lender") and the applicant;
- (b) by means of which a sum of money is advanced by the lender to the applicant by way of payments at regular intervals; and
- (c) which is secured on a dwelling in which the applicant owns an estate or interest and which the applicant occupies as the applicant's home.

Calculation of weekly income: pensioners

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

- (a) does not exceed a week, the whole of that payment is to be included in the applicant's weekly income;
- (b) exceeds a week, the amount to be included in the applicant's weekly income is to be determined—
 - (i) in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
 - (ii) in a case where that period is three months, by multiplying the amount of the payment by 4 and dividing the product by 52;
 - (iii) in a case where that period is a year, by dividing the amount of the payment by 52;
 - (iv) in any other case, by multiplying the amount of the payment by 7 and dividing

(1) S.I. 2005/3360.

(2) 1992 c.4. Section 30DD was inserted by section 63 of the Welfare Reform and Pensions Act 1999 (c.30). Section 30E was inserted by section 3 of the Social Security (Incapacity for Work) Act 1994 (c.18). Both sections are repealed by the Welfare Reform Act 2007 (c.3), Schedule 8 (not yet in force).

the product by the number of days in the period in respect of which it is made.

(2) Sub-paragraph (3) applies where—

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

(3) The weekly amount of that applicant's income is to be determined—

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

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

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

(6) This sub-paragraph applies to—

- (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;
- (b) any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982; and
- (c) any payment which is made on an occasional basis.

(7) The period under which any benefit under the benefit Acts is to be taken into account is to be the period in respect of which that benefit is payable.

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

(9) The sums specified in Schedule 4 are to be disregarded in calculating—

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

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

(11) Income specified in Schedule 5 is to be disregarded in the calculation of the applicant's income.

(12) Schedule 8 (**capital disregards: pensioners**) has effect so that—

- (a) the capital specified in Part 1 is disregarded for the purpose of determining an applicant's income; and
- (b) the capital specified in Part 2 is disregarded for the purpose of determining an applicant's income under paragraph 68 (calculation of tariff income from capital: pensioners).

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

Earnings of employed earners: pensioners

38.—(1) Subject to sub-paragraph (2), “earnings” (*“enillion”*), in the case of employment as an employed earner who is a pensioner, 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 that applicant's employment by reason of redundancy;
- (c) any payment in lieu of notice;
- (d) any holiday pay;
- (e) any payment by way of a retainer;

- (f) any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—
 - (i) travelling expenses incurred by the applicant between the applicant's home and place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of the applicant's family owing to the applicant's absence from home;
 - (g) the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001⁽¹⁾;
 - (h) statutory sick pay and statutory maternity pay payable by the employer under the SSCBA;
 - (i) statutory paternity pay payable under Part 12ZA of the SSCBA;
 - (j) statutory adoption pay payable under Part 12ZB of the SSCBA;
 - (k) any sums payable under a contract of service—
 - (i) for incapacity for work due to sickness or injury; or
 - (ii) by reason of pregnancy or confinement.
- (2) Earnings does not include—
- (a) subject to sub-paragraph (3), any payment in kind;
 - (b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;
 - (c) any occupational pension;
 - (d) any lump sum payment made under the Iron and Steel Re-adaptation Benefits Scheme;
 - (e) any payment of compensation made pursuant to an award by an employment tribunal established under the Employment Tribunals Act 1996⁽²⁾ in respect of unfair dismissal or unlawful discrimination;

(1) S.I. 2001/1004.
 (2) 1996 c.17.

- (f) 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)(g).

Calculation of net earnings of employed earners: pensioners

39.—(1) For the purposes of paragraph 54 (calculation of income on a weekly basis), the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account must, subject to paragraph 37(4) (calculation of weekly income: pensioners) and Schedule 4, be that applicant's net earnings.

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

- (a) any amount deducted from those earnings by way of—
 - (i) income tax;
 - (ii) primary Class 1 contributions under the SSCBA;
- (b) one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- (c) one-half of the amount calculated in accordance with sub-paragraph (4) in respect of any qualifying contribution payable by the applicant; and
- (d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, ordinary or additional statutory paternity pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which correspond to primary Class 1 contributions under the SSCBA.

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

(4) The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this

paragraph the daily amount of the qualifying contribution is to be determined—

- (a) where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
- (b) in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.

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

- (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37 of the Income Tax Act 2007⁽¹⁾ (personal allowances) as is appropriate to the applicant's circumstances but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a pro rata basis;
- (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by the applicant 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.

(1) 2007 c.3; the heading and subsection (1) of section 35 were amended by section 4 of the Finance Act 2012 (c.14) ("2012 Act"), subsections (2) and (4) were inserted by section 4 of the Finance Act 2009 (c.10). In section 36, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act, subsection (2) has also been amended by article 3 of S.I. 2012/3047 and section 4 of the Finance Act 2009. In section 37, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act, subsection (2) has also been amended by article 3 of S.I. 2012/3047 and section 4 of the Finance Act 2009.

Calculation of earnings of self-employed earners: pensioners

40.—(1) Where the earnings of an applicant who is a pensioner consist of earnings from employment as a self-employed earner, the weekly amount of that applicant's earnings is to be determined by reference to the applicant's average weekly earnings from that employment—

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

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

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

Earnings of self-employed earners: pensioners

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

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

- (a) where an applicant occupies a dwelling as the applicant's home and the applicant provides in that dwelling board and lodging accommodation for which payment is made, those payments;
- (b) any payment made by a local authority to an applicant—
 - (i) with whom a person is accommodated by virtue of arrangements made under section 22C or 23(2)(a) of the Children Act 1989⁽¹⁾ (provision of accommodation and maintenance for a child whom they are looking after) or, as

(1) 1989 c.41; section 23 was substituted by sections 22A to 22F by section 8(1) of the Children and Young Persons Act 2008 (c.23). Section 22C is in force in England but only section 22C(11) is in force in Wales.

- the case may be, section 26(1) of the Children (Scotland) Act 1995⁽¹⁾; or
- (ii) with whom a local authority fosters a child under the Looked After Children (Scotland) Regulations 2009⁽²⁾ or who is a kinship carer under those Regulations;
 - (c) any payment made by a voluntary organisation in accordance with section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations);
 - (d) any payment made to the applicant or the applicant's partner for a person ("the person concerned") who is not normally a member of the applicant's household but is temporarily in the applicant's care, by—
 - (i) a local authority but excluding payments of housing benefit made in respect of the person concerned;
 - (ii) a voluntary organisation;
 - (iii) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948⁽³⁾;
 - (iv) the National Health Service Commissioning Board or a clinical commissioning group established under section 14D of the National Health Service Act 2006⁽⁴⁾; or
 - (v) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006⁽⁵⁾;
 - (e) any sports award.

Notional income: pensioners

42.—(1) An applicant who is a pensioner is to be treated as possessing—

- (a) subject to sub-paragraph (2), the amount of any retirement pension income—
 - (i) for which no claim has been made; and
 - (ii) to which that applicant might expect to be entitled if a claim for it were made;

(1) 1995 c.36; section 26 was amended by paragraph 1 of Schedule 3 to the Adoption and Children (Scotland) Act 2007 (asp 4).

(2) S.I. 2009/210.

(3) 1948 c.29; section 26(3A) was inserted by section 42(4) of the National Health Service and Community Care Act 1990 (c.19).

(4) 2006 c.41. The Commissioning Board is established under section 1H of that Act (inserted by section 9 of the Health and Social Care Act 2012 (c.7)); section 14D was inserted by section 25 of the 2012 Act.

(5) 2006 c.42.

- (b) income from an occupational pension scheme which the applicant elected to defer.
- (2) Sub-paragraph (1)(a) does not apply to the following where entitlement has been deferred—
- (a) a Category A or Category B retirement pension payable under sections 43 to 55 of the SSCBA;
 - (b) a shared additional pension payable under section 55A of the SSCBA;
 - (c) graduated retirement benefit payable under sections 36 and 37 of the National Insurance Act 1965⁽¹⁾.
- (3) For the purposes of sub-paragraph (2), entitlement has been deferred—
- (a) in the case of a Category A or Category B pension, in the circumstances specified in section 55(3) of the SSCBA;
 - (b) in the case of a shared additional pension, in the circumstances specified in section 55C(3) of the SSCBA; and
 - (c) in the case of graduated retirement benefit, in the circumstances specified in section 36(4) and (4A) of the National Insurance Act 1965.
- (4) This sub-paragraph applies where a person who has attained the qualifying age for state pension credit—
- (a) is entitled to money purchase benefits under an occupational pension scheme or a personal pension scheme;
 - (b) fails to purchase an annuity with the funds available in that scheme; and
 - (c) either—
 - (i) defers in whole or in part the payment of any income which would have been payable to that person by that person's pension fund holder, or
 - (ii) fails to take any necessary action to secure that the whole of any income which would be payable to that person by that person's pension fund holder upon that person applying for it, is so paid, or
 - (iii) is a person to whom income withdrawal is not available under that scheme.
- (5) Where sub-paragraph (4) applies, the amount of any income foregone is to be treated as possessed by that person, but only from the date on

(1) 1965 c.51.

which it could be expected to be acquired were an application for it to be made.

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

(7) The amount of any income foregone in a case where sub-paragraph (4)(c)(iii) applies is to be the income that the applicant could have received without purchasing an annuity had the funds held under the relevant scheme been held under a personal pension scheme or occupational pension scheme where income withdrawal was available and is to be determined in the manner specified in sub-paragraph (6).

(8) In sub-paragraph (4), “money purchase benefits” (*“buddion pryniant ariannol”*) has the same meaning as in the Pension Schemes Act 1993.

(9) Subject to sub-paragraphs (10) and (12), a person is to be treated as possessing income of which that person has deprived himself or herself for the purpose of securing entitlement to a reduction under this scheme or increasing the amount of the reduction.

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

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

(12) Sub-paragraph (9) does not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant’s participation in a service user group.

(13) Where an applicant is in receipt of any benefit under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1 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

(1) S.I. 2005/454.

either 1 April or the first Monday in April in that year, whichever date the authority selects to apply, to the date on which the altered rate is to take effect.

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

- (a) determine the income and capital of that applicant in accordance with paragraph 33(1) (calculation of pensioner's income in savings credit only cases) where the calculation or estimate of that income and capital is altered with effect from a date on or after 1 April in any year but not more than 14 days thereafter; and
- (b) treat that applicant as possessing such income and capital at the altered rate by reference to the date selected by the authority to apply in its area, for the purposes of establishing the period referred to in sub-paragraph (13).

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

- (a) that person's rights to benefits under a registered pension scheme are extinguished and in **consequence of this** that person receives a payment from the scheme; and
- (b) that payment is a trivial commutation lump sum within the meaning given by paragraph 7 of Schedule 29 to the Finance Act 2004.

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

Income paid to third parties: pensioners

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

(2) Sub-paragraph (1) does not apply in respect of a payment of income made under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—

- (a) a bankruptcy order has been made in respect of the person in respect of whom

the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980⁽¹⁾;

- (b) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
- (c) the person referred to in paragraph (a) **and that person's partner does** not possess, or is not treated as possessing, any other income apart from that payment.

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

CHAPTER 5

Income: persons who are not pensioners

Average weekly earnings of employed earners: persons who are not pensioners

44.—(1) Where the income of an applicant who is not a pensioner consists of earnings from employment as an employed earner the applicant's average weekly earnings must be estimated by reference to the applicant's 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 the applicant is paid weekly; or
 - (ii) 2 months, if the applicant 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 the applicant's average weekly earnings to be estimated more accurately.

(2) Where the applicant has been in employment for less than the period specified in sub-paragraph (1)(a)(i) or (ii)—

- (a) if the applicant has received any earnings for the period that the applicant has been in

⁽¹⁾ 1980 c.46.

that employment and those earnings are likely to represent the applicant's average weekly earnings from that employment the applicant's 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⁽¹⁾.

(3) Where the amount of an applicant's earnings changes the authority must estimate the applicant's average weekly earnings by reference to the applicant's likely earnings from the employment over such period as is appropriate in order that the applicant's 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 paragraphs 48 and 49 (earnings of employed earners: persons who are not pensioners).

Average weekly earnings of self-employed earners: persons who are not pensioners

45.—(1) Where the income of an applicant who is not a pensioner consists of earnings from employment as a self-employed earner that applicant's average weekly earnings must be estimated by reference to that applicant's earnings from that employment over such period as is appropriate in order that that applicant's average weekly earnings may be estimated accurately but the length of the period must not in any case exceed 52 weeks.

(2) For the purposes of this paragraph the applicant's earnings must be calculated in accordance with paragraphs 50, 58 and 59 (earnings and net profit of self-employed earners).

Average weekly income other than earnings: persons who are not pensioners

46.—(1) The income of an applicant who is not a pensioner which does not consist of earnings must, except where sub-paragraph (2) applies, be estimated over such period as is appropriate in order that that applicant's 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 an authority to disregard any such income

(1) Powers in section 14A of the 1992 Act may be used to confer power to require employers to provide information for these purposes.

other than that specified in Schedule 7 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners).

(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 51 (calculation of income other than earnings: persons who are not pensioners).

Calculation of weekly income of employed earners: persons who are not pensioners

47.—(1) For the purposes of paragraphs 44 (average weekly earnings of employed earners), 46 (average weekly income other than earnings) and 56 (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 quotient by 7.

(2) For the purposes of paragraph 45 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant is to be determined by dividing the applicant's earnings over the assessment period by the number equal to the number of days in that period and multiplying the quotient by 7.

Earnings of employed earners: persons who are not pensioners

48.—(1) Subject to sub-paragraph (2), “earnings” (*“enillion”*), in the case of employment as an employed earner of a person who is not a pensioner, 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

- the applicant's 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 the applicant's home and place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of the applicant's 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⁽¹⁾ (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 the applicant is ill;
 - (l) the amount of any payment by way of a non-cash voucher which has been taken

(1) 1996 c.18.

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⁽¹⁾.

(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).

Calculation of net earnings of employed earners: persons who are not pensioners

49.—(1) For the purposes of paragraph 44 (average weekly earnings of employed earners: persons who are not pensioners), 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 the applicant's net earnings.

(2) There is to be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 18 of Schedule 6 (sums disregarded in the calculation of earnings: persons who are not pensioners).

(3) 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 sub-paragraph (5) in respect of any qualifying contribution payable by the applicant; and

(1) S.I. 2001/1004.

- (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, ordinary or additional statutory paternity pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which correspond to primary Class 1 contributions under the SSCBA.

(4) In this regulation “qualifying contribution” (“*cyfraniad cymwys*”) means any sum which is payable periodically as a contribution towards a personal pension scheme.

(5) 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.

(6) Where the earnings of an applicant are estimated under paragraph 44(2)(b) (average weekly earnings of employed earners: persons who are not pensioners), the applicant’s net earnings are to be calculated by taking into account those earnings over the assessment period, less—

- (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37 of the Income Tax Act 2007⁽¹⁾ (personal

(1) 2007 c.3; the heading and subsection (1) of section 35 were amended by section 4 of the Finance Act 2012 (c.14) (“2012 Act”); subsections (2) and (4) inserted by section 4 of the Finance Act 2009 (c.10). In section 36, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by article 3 of S.I. 2012/3047 and section 4 of the Finance Act 2009. In section 37, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act, subsection (2) has also been

allowances) as is appropriate to the applicant's circumstances but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a pro rata basis;

- (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by the applicant 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.

Earnings of self-employed earners: persons who are not pensioners

50.—(1) Subject to sub-paragraph (2), “earnings” (“*enillion*”), in the case of employment as a self-employed earner of a person who is not a pensioner, means the gross income of the employment.

(2) “Earnings” does not include any payment to which paragraph 31 or 32 of Schedule 7 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
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982,

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.

amended by article 3 of S.I. 2012/3047 and section 4 of the Finance Act 2009.

(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 6 (sums disregarded in the calculation of earnings; persons who are not pensioners) as appropriate in the applicant's case.

Calculation of income other than earnings: persons who are not pensioners

51.—(1) For the purposes of paragraph 46 (average weekly income other than earnings: persons who are not pensioners), the income of an applicant who is not a pensioner which does not consist of earnings to be taken into account must, subject to sub-paragraphs (2) to (6), be that applicant's gross income and any capital treated as income under paragraph 52 (capital treated as income: persons who are not pensioners).

(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 7.

(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 sub-paragraph (1) must be the gross amount payable.

(4) Where the applicant or, where the applicant is a member of a couple, the applicant's partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008⁽¹⁾, 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⁽²⁾ is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under sub-

(1) S.I. 2008/794.
(2) 2002 c.21.

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) a relevant payment has been made to a person in an academic year; and
- (b) that person abandons, or is dismissed from, that person's course of study before the payment to that person of the final instalment of the relevant payment.

(7) 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 (6) applies, is to be calculated by applying the formula—

$$(A - (B \times C)) / D$$

where—

A = the total amount of the relevant payment which that person would have received had that person remained a student until the last day of the academic term in which that person abandoned, or was dismissed from, the course, less any deduction under paragraph 78(5) (costs of travel, books and equipment);

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, the course;

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 78(2) (treatment of student loans) had the person not abandoned or been dismissed from, the course and, in the case of a person who was not entitled to a reduction under this scheme immediately before that person abandoned or was dismissed from the course, had that person, at that time, been entitled to housing benefit;

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 78(5).

(9) In this paragraph—

“academic year” (“*blwyddyn academaidd*”) and “student loan” (“*benthyciad myfyriwr*”) have the same meanings as in Part 10 (students);

“assessment period” (“*cyfnod asesu*”) 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, the 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, the 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” (“*chwarter*”) in relation to an assessment period means a period in that year beginning on—

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

“relevant payment” (“*taliad perthnasol*”) means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 73(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 48(2) (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⁽¹⁾ 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 the applicant's dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

Capital treated as income: persons who are not pensioners

52.—(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 Chapter 7 of this Part exceeds £16,000, be treated as income.

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

(3) Any earnings to the extent that they are not a payment of income is to be treated as income.

(4) Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 is to be treated as income.

(5) 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.

Notional income: persons who are not pensioners

53.—(1) An applicant who is not a pensioner is to be treated as possessing income of which that applicant has deprived himself or herself for the purpose of securing entitlement to a reduction 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

(1) 1999 c.33.

where the applicant has not attained the qualifying age for state pension credit;

- (d) any sum to which paragraph 48(2)(a) of Schedule 9 (capital disregards: **persons who are not pensioners**) applies which is administered in the way referred to in paragraph 48(1)(a) of that Schedule;
- (e) any sum to which paragraph 49(a) of Schedule 9 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 the applicant, 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 in 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 that single applicant 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 Trusts, 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⁽¹⁾ (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) of the Jobseeker's Allowance Regulations 1996⁽²⁾;
 - (ii) in a training scheme specified in regulation 75(1)(b) of those Regulations; or
 - (iii) in a qualifying course within the meaning specified in regulation 17A(7) 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⁽³⁾;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and

(1) 1994 c.21.
(2) S.I. 1996/207.
(3) 1980 c.46.

- (iii) the person referred to in sub-paragraph (i) and any member of that person's 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 1 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 1 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 that person 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 the applicant 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; 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” (“*lleoliad gwaith*”) 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 that applicant 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 that applicant does possess except that paragraph 39(2) or 49(3) (calculation of net earnings of employed earners: pensioners and persons who are not pensioners, respectively) do not apply and that applicant’s net earnings are to be calculated by taking into account those earnings which that applicant 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 Part 3 of the Income Tax Act 2007 (personal allowances) as is appropriate to the applicant’s circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a *pro rata* basis;
- (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by the applicant 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.

CHAPTER 6

Income: pensioners and persons who are not pensioners

Calculation of income on a weekly basis

54.—(1) Subject to paragraph 57 (disregard of changes in tax, **contributions** etc), the income of an applicant is to be calculated on a weekly basis—

- (a) by estimating the amount which is likely to be the applicant's average weekly income in accordance with this Part;
- (b) by adding to that amount the weekly income calculated—

- (i) if the applicant is a pensioner, under paragraph 68 (tariff income: pensioners);

- (ii) if the applicant is a person who is not a pensioner, under paragraph 69 (tariff income: persons who are not pensioners); and

- (c) by the deducting any relevant child care charges to which paragraph 55 (treatment of child care charges) **applies from any earnings which form part of the average weekly income or**, in a case where the conditions in sub-paragraph (2) are met, from those earnings plus whichever credit specified in paragraph (b) of that sub-paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in sub-paragraph (3) applies in the applicant's case.

(2) The conditions of this paragraph are that—

- (a) the applicant's earnings which form part of the applicant's average weekly income are less than the lower of either the applicant's relevant child care charges or whichever of the deductions specified in paragraph (3) otherwise applies in the applicant's case; and
- (b) that applicant or, if the applicant is a member of a couple either the applicant or the applicant's partner, is in receipt of either working tax credit or child tax credit.

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

- (a) where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175 per week;

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

Treatment of child care charges

55.—(1) This paragraph applies where an applicant (within the meaning of this paragraph) is incurring relevant child care charges and—

- (a) is a lone parent and is engaged in remunerative work;
- (b) is a member of a couple both of whom are engaged in remunerative work; or
- (c) is a member of a couple where one member is engaged in remunerative work and the other—
 - (i) is incapacitated;
 - (ii) is an in-patient in hospital; or
 - (iii) is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).

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

- (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⁽¹⁾; 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⁽²⁾.

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

- (a) the first day of the period in respect of which the person was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or

(1) S.I. 1987/1967.

(2) S.I. 1975/556.

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 child's date of birth and ending on the day preceding the first Monday in September following that child'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⁽¹⁾; or
- (c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010⁽²⁾; 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⁽³⁾; or
- (e) by—
 - (i) persons registered under section 59(1) of the Public Services Reform (Scotland) Act 2010⁽⁴⁾; 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⁽⁵⁾; 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

⁽¹⁾ S.I. 1999/3110.
⁽²⁾ 2010 nawm 1.
⁽³⁾ S.I. 2010/2839 (W.233).
⁽⁴⁾ 2010 asp 8.
⁽⁵⁾ 2006 c.21.

- (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 section 18(5) of that Act; or
- (k) by a foster parent or kinship carer under the Fostering Services (England) Regulations 2011⁽¹⁾, the Fostering Services (Wales) Regulations 2003⁽²⁾ or the Looked After Children (Scotland) Regulations 2009⁽³⁾ in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or
- (l) by a domiciliary care worker under the Domiciliary Care Agencies (Wales) Regulations 2004⁽⁴⁾; 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” (“*y dydd Llun cyntaf ym Medi*”) 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 is a pensioner and the other member of the couple is aged not less than 80;
- (b) the applicant is a pensioner and the other member of the couple is aged less than 80, and—
 - (i) the additional conditions specified in paragraph 10 of Schedule 3 (additional condition for the disability premium) to this scheme are treated as applying in the other member of the couple’s case; and
 - (ii) the other member of the couple satisfies those conditions or would satisfy them but for the other member of the couple being treated as capable of work by

(1) S.I. 2011/581.
 (2) S.I. 2003/237 (W.35).
 (3) S.S.I. 2009/210.
 (4) S.I. 2004/219 (W.23).

virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;

- (c) the applicant is not a pensioner, the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of the other member's having limited capability for work;
- (d) the applicant is not a pensioner, the applicant's applicable amount would include a disability premium 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;
- (e) 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;
- (f) the applicant 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) the applicant 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) there is payable in respect of the other member one or more of the following pensions or allowances—

- (i) long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the SSCBA;
- (ii) attendance allowance under section 64 of the SSCBA;
- (iii) severe disablement allowance under section 68 of the SSCBA;
- (iv) disability living allowance under section 71 of the SSCBA;
- (v) personal independence payment under Part 4 of the Welfare Reform Act 2012;
- (vi) an AFIP;
- (vii) increase of disablement pension under section 104 of the SSCBA;
- (viii) a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under sub-paragraph (ii), (iv), (v) or (vii) above;
- (ix) main phase employment and support allowance;
- (i) a pension or allowance to which sub-paragraph (vi) or (vii) of paragraph (h) above refers was payable on account of the other member's incapacity but has ceased to be payable in consequence of that other member becoming a patient, which in this paragraph means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005;
- (j) 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;
- (k) 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);
- (l) 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;

- (m) paragraph (h), (i), (j) or (k) would apply to the other member if the legislative provisions referred to in those paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or
- (n) the other member has an invalid carriage or other vehicle provided to the other member by the Secretary of State under paragraph 9 of Schedule 1 to the National Health Service Act 2006⁽¹⁾ 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 provided by the Welsh Ministers under section 5 of, and Schedule 1 to the National Health Service (Wales) Act 2006.

(12) For the purposes of sub-paragraph (11), once sub-paragraph (11)(f) applies to the applicant, if the applicant then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph is, on the applicant again becoming so incapable, or so treated as incapable, of work at the end of that period, to immediately thereafter apply to the applicant for so long as the applicant remains incapable, or is treated as remaining incapable, of work..

(13) For the purposes of sub-paragraph (11), once sub-paragraph (11)(g) applies to the applicant, if the applicant 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 the applicant again having, or being treated as having limited capability for work at the end of that period, immediately thereafter to apply to the applicant for so long as the applicant 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 that person is a person—

(1) 2006 c.41; paragraph 9 has been amended by section 17(10) of the Health and Social Care Act 2012 (c.7) (to replace references to the Secretary of State with references to clinical commissioning groups), but those provisions are not yet fully in force.

- (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 that person 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;
- (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; or
- (e) to whom AFIP is payable.

(15) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave or adoption leave is to be treated as if 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 or adoption leave began the person was in remunerative work;
- (b) the person is incurring relevant child care charges within the meaning of sub-paragraph (5); and
- (c) the person 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 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 ends or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credit ends,

whichever occurs first.

(17) In sub-paragraphs (15) and (16)—

- (a) “qualifying support” (*“cymhorthdal cymwys”*) means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support (General) Regulations 1987⁽¹⁾; and
- (b) “child care element” (*“elfen gofal plant”*) of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act 2002 (child care element).

(18) In this paragraph “applicant” (*“ceisydd”*) does not include an applicant—

- (a) who has, or
- (b) who (jointly with a partner) has,

an award of universal credit.

Calculation of average weekly income from tax credits

56.—(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 must be the period set out in sub-paragraph (3).

⁽¹⁾ S.I. 1987/1967; Schedule 1B was inserted by S.I. 1996/206.

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

- (a) a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;
- (b) a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;
- (c) a two weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;
- (d) a four weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

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

Disregard of changes in tax, contributions etc

57. 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.

Calculation of net profit of self-employed earners

58.—(1) For the purposes of paragraphs 45 (average weekly earnings of self-employed earners: persons who are not pensioners) and 54 (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 that person’s

- 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, that person's 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 59 (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 who is not a pensioner 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⁽¹⁾, that person's 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 59 (deduction of tax and contributions of self-employed earners); and
 - (ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.
- (2) There must be disregarded from the net profit of an applicant who is not a pensioner, any sum, where applicable, specified in paragraphs 1 to 16 of Schedule 6 (sums disregarded in the calculation of earnings: persons who are not pensioners).
- (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

(1) S.I. 1975/529.

- (ii) social security contributions payable under the SSCBA,

calculated in accordance with paragraph 59 (deduction of tax and contributions of 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 sub-paragraph (1)(b) the net profit of the employment is to be calculated by taking into account the earnings of the employment over the assessment period less, subject to sub-paragraphs (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 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 payable under an insurance policy for its repair.

(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-paragraph (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 paid over value added tax received in the assessment period;
- (ii) any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
- (iii) any payment of interest on a loan taken out for the purposes of the employment.

(9) Where an applicant is engaged in employment as a child minder the net profit of the employment is to be one-third of the earnings of that employment, less—

(a) an amount in respect of—

- (i) income tax; and
- (ii) social security contributions payable under the SSCBA,

calculated in accordance with paragraph 59 (deduction of tax and contributions of 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 the applicant is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of the applicant's employments must not be offset against the applicant's earnings in any other of the applicant's 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” (*“premiwm cymwys”*) 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.

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

59.—(1) The amount to be deducted in respect of income tax under paragraph 58(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⁽¹⁾ (personal allowances) as is appropriate to the applicant's 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 58(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

⁽¹⁾ 2007 c.3; the heading and subsection (1) of section 35 were amended by section 4 of the Finance Act 2012 (c.14) ("2012 Act"), subsections (2) and (4) were inserted by section 4 of the Finance Act 2009 (c.10). In section 36, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by article 3 of S.I. 2012/3047 and section 4 of the Finance Act 2009. In section 37, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by article 3 of S.I. 2012/3047 and section 4 of the Finance Act 2009.

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” (*“incwm trethadwy”*) 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 58;
- (b) in the case of employment as a child minder, one-third of the earnings of that employment.

CHAPTER 7

Capital

Calculation of capital

60.—(1) The capital of an applicant⁽¹⁾ to be taken into account must be, subject to sub-paragraph (2), the whole of the applicant’s capital calculated in accordance with this Part and (**in the case of persons who are not pensioners**) any income treated as capital under paragraph 61 (income treated as capital: persons who are not pensioners).

(2) There must be disregarded from the calculation of an applicant’s capital under sub-paragraph (1), any capital, where applicable, specified in—

- (a) Schedule 8, in relation to pensioners;
- (b) Schedule 9, in relation to persons who are not pensioners.

(3) In the case of an applicant who is a pensioner, the applicant’s capital is to be treated as including any payment made to the applicant by way of arrears of—

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

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

(4) 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.

(1) The capital limit is £16,000, see paragraph 21.

Income treated as capital: persons who are not pensioners

61.—(1) This paragraph applies in relation to persons who are not pensioners.

(2) Any bounty derived from employment to which paragraph 9 of Schedule 6 (sums disregarded in the calculation of earnings: persons who are not pensioners) applies and paid at intervals of at least one year is to be treated as capital.

(3) 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.

(4) Any holiday pay which is not earnings under paragraph 38(1)(d) or 48(1)(d) (earnings of employed earners) is to be treated as capital.

(5) Except any income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17, 30 to 33, 48 or 49 of Schedule 9 (capital disregards: persons who are not pensioners), 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.

(6) 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.

(7) 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 Relief Charitable Fund, is to be treated as capital.

(8) 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.

(9) Any arrears of subsistence allowance which are paid to an applicant as a lump sum must be treated as capital.

(10) Any arrears of working tax credit or child tax credit must be treated as capital.

Calculation of capital in the United Kingdom

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

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

Calculation of capital outside the United Kingdom

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

- (a) in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value;
- (b) in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer,

less, where there would be expenses attributable to sale, 10 per cent and the amount of any encumbrances secured on it.

Notional capital

64.—(1) An applicant is to be treated as possessing capital of which the applicant has deprived himself or herself 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 paragraphs 65 and 66 (diminishing notional capital rule).

(2) An applicant who is a pensioner who disposes of capital for the purpose of—

- (a) reducing or paying a debt owed by the applicant; or
- (b) purchasing goods or services if the expenditure was reasonable in the circumstances of the applicant's case,

is to be regarded as not depriving himself or herself of it.

(3) Sub-paragraphs (4) to (6) apply in relation to applicants who are not pensioners.

(4) 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 9; 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 48(2)(a) of Schedule 9 (capital disregards: persons who are not pensioner) applies which is administered in the way referred to in paragraph 49(1)(a) of that Schedule; or
- (f) any sum to which paragraph 49(a) of Schedule 9 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 the applicant, 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.

(5) Any payment of capital, other than a payment of capital specified in sub-paragraph (6), 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 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 the single applicant or used by or on behalf of any member of the family.

(6) Sub-paragraph (5) 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) of the Jobseeker's Allowance Regulations 1996;
 - (ii) in a training scheme specified in regulation 75(1)(b) of those Regulations; or
 - (iii) in a qualifying course within the meaning specified in regulation 17A(7) 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 the Employment, Skills and Enterprise Scheme;
 - (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 (i) and any member of that person's family do not possess, or are not treated as possessing, any other income apart from that payment.
- (7) 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, the applicant may be treated as if the applicant were such sole owner or partner and in such a case—

- (a) the value of the applicant's holding in that company must, notwithstanding paragraph 60 (calculation of capital) be disregarded; and
- (b) the applicant must, subject to sub-paragraph (8), be treated as possessing an amount of capital equal to the value or, as the case may be, the applicant's share of the value of the capital of that company and the foregoing provisions of this Chapter apply for the purposes of calculating that amount as if it were actual capital which the applicant does possess.

(8) For so long as the applicant undertakes activities in the course of the business of the company, the amount which the applicant is treated as possessing under sub-paragraph (7) is to be disregarded.

(9) Where an applicant is treated as possessing capital under any of sub-paragraphs (1), (4) or (5) the foregoing provisions of this Chapter apply for the purposes of calculating its amount as if it were actual capital which the applicant does possess.

Diminishing notional capital rule: pensioners

65.—(1) Where an applicant who is a pensioner is treated as possessing capital under paragraph 64(1) (notional capital), the amount which the applicant is treated as possessing—

- (a) in the case of a week that is subsequent to—
 - (i) the relevant week in respect of which the conditions set out in sub-paragraph (2) are satisfied; or
 - (ii) a week which follows that relevant week and which satisfies those conditions,

is to be reduced by an amount determined under sub-paragraph (3);

- (b) in the case of a week in respect of which sub-paragraph (1)(a) does not apply but where—
 - (i) that week is a week subsequent to the relevant week; and
 - (ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied,

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

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

- (a) the applicant is in receipt of a reduction in council tax under this scheme; and
 - (b) but for paragraph 64(1), the applicant 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 the applicant is treated as possessing for the purposes of sub-paragraph (1)(a) must be equal to the aggregate of—
- (a) an amount equal to the additional amount of the reduction in council tax to which sub-paragraph (2)(b) refers;
 - (b) where the applicant has also claimed state pension credit, the amount of any state pension credit or any additional amount of state pension credit to which the applicant would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 21(1) of the State Pension Credit Regulations 2002⁽¹⁾ (notional capital);
 - (c) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of housing benefit to which the applicant 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 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006⁽²⁾ (notional capital);
 - (d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which the applicant would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996⁽³⁾ (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 the applicant would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the

(1) S.I. 2002/1792.
 (2) S.I. 2006/214.
 (3) S.I. 1996/207.

application of regulation 115 of the Employment and Support Allowance Regulations 2008⁽¹⁾ (notional capital).

(4) Subject to sub-paragraph (7), for the purposes of sub-paragraph (1)(b) the condition is that the applicant is a pensioner and would have been entitled to a reduction in council tax under this scheme in the relevant week but for paragraph 64(1).

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

- (a) the amount of the reduction in council tax to which the applicant would have been entitled in the relevant week but for paragraph 64(1);
- (b) if the applicant would, but for regulation 21 of the State Pension Credit Regulations 2002, have been entitled to state pension credit in respect of the benefit week, within the meaning of regulation 1(2) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which the applicant would have been entitled;
- (c) if the applicant would, but for regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit week 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 the applicant would have been entitled; or
 - (ii) in any other case, the amount equal to the additional amount of housing benefit to which the applicant 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 the applicant would have been entitled; and

(1) S.I. 2008/794.

- (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 the applicant would have been entitled.

(6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) (“the relevant amount”) is in respect of a part-week, the amount that is to be taken into account under that paragraph is to be determined by—

- (a) dividing the relevant amount by the number equal to the number of days in that part-week; and
- (b) multiplying the result of that calculation by 7.

(7) The amount determined under sub-paragraph (5) is to be re-determined under that 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) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words “relevant week” there were substituted the words “relevant subsequent week”; and
- (b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.

(8) The conditions are that—

- (a) a further application is made 26 or more weeks after—
 - (i) the date on which the applicant made an application for a reduction in council tax in respect of which the applicant was first treated as possessing the capital in question under paragraph 64(1);
 - (ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (7), the date on which the applicant 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 the applicant last ceased to be entitled to a reduction in council tax,

whichever last occurred; and

- (b) the applicant would have been entitled to a reduction in council tax under this scheme but for paragraph 64(1).

(9) 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.

(10) For the purposes of this paragraph—

“part-week” (*“rhan-wythnos”*)—

- (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” (*“wythnos berthnasol”*) means the reduction week or part-week in which the capital in question of which the applicant has deprived himself or herself within the meaning of paragraph 64(1)—

- (a) was first taken into account for the purpose of determining the applicant’s entitlement to a reduction; or
- (b) was taken into account on a subsequent occasion for the purpose of determining or re-determining the applicant’s entitlement to a reduction on that subsequent occasion and that determination or redetermination resulted in the applicant beginning to receive, or ceasing to receive, a reduction;

and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

“relevant subsequent week” (*“wythnos ddilynol berthnasol”*) 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.

Diminishing notional capital rule: persons who are not pensioners

66.—(1) Where an applicant who is not a pensioner is treated as possessing capital under paragraph 64(1) (notional capital), the amount which the applicant is treated as possessing—

- (a) in the case of a week that is subsequent to—
 - (i) the relevant week in respect of which the conditions set out in sub-paragraph (2) are satisfied; or
 - (ii) a week which follows that relevant week and which satisfies those conditions,

is to be reduced by an amount determined under sub-paragraph (3);

- (b) in the case of a week in respect of which sub-paragraph (1)(a) does not apply but where—
 - (i) that week is a week subsequent to the relevant week; and
 - (ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied,

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

(2) This sub-paragraph applies to a reduction week (or, in the case of persons who are not pensioners, part-week) where the applicant satisfies the conditions that—

- (a) the applicant is in receipt of a reduction in council tax under this scheme; and
- (b) but for paragraph 64(1), the applicant 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 the applicant 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 the applicant 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⁽¹⁾ (notional capital);

- (c) where the applicant has also claimed income support, the amount of income support to which the applicant 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 the applicant 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⁽²⁾ (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 the applicant 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⁽³⁾ (notional capital).

(4) 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 64(1).

(5) In such a case the amount of the reduction in the amount of capital the applicant 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 64(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—

(1) S.I. 2006/213.
(2) S.I. 1996/207.
(3) S.I. 2008/794.

- (i) in a case where no housing benefit is payable, the amount to which the applicant would have been entitled; or
 - (ii) in any other case, the amount equal to the additional amount of housing benefit to which the applicant 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 the applicant 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 the applicant 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 the applicant would have been entitled.
- (6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) ("the relevant amount") is in respect of a part-week, the amount that is to be taken into account under that paragraph is to be determined by—
- (a) dividing the relevant amount by the number equal to the number of days in that part-week; and
 - (b) multiplying the result of that calculation by 7.
- (7) 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) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words "relevant week"

there were substituted the words “relevant subsequent week”; and

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

(8) The conditions are that—

- (a) a further application is made 26 or more weeks after—
 - (i) the date on which the applicant made an application for a reduction in council tax in respect of which the applicant was first treated as possessing the capital in question under paragraph 64(1);
 - (ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (7), the date on which the applicant 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 the applicant last ceased to be entitled to a reduction in council tax,

whichever last occurred; and

- (b) the applicant would have been entitled to a reduction in council tax under this scheme but for paragraph 64(1).

(9) 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.

(10) For the purposes of this paragraph—

“part-week”(“*rhan-wythnos*”)—

- (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” (“*wythnos berthnasol*”) means the reduction week or part-week in which the capital in question of which the applicant has deprived himself or herself within the meaning of paragraph 64(1)—

- (a) was first taken into account for the purpose of determining the applicant’s entitlement to a reduction; or
- (b) was taken into account on a subsequent occasion for the purpose of determining or re-determining the applicant’s entitlement to a reduction on that subsequent occasion and that determination or redetermination resulted in the applicant beginning to receive, or ceasing to receive, a reduction,

and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

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

Capital jointly held

67. Except where an applicant possesses capital which is disregarded under paragraph 64(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 Chapter apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess.

Calculation of tariff income from capital: pensioners

68. The capital of an applicant who is a pensioner, calculated in accordance with this Part, is to be treated as if it were a weekly income⁽¹⁾ of—

- (a) £1 for each £500 in excess of £10,000 but not exceeding £16,000; and

(1) Income from capital is taken into account in calculating the income of an applicant who is a pensioner, *see* paragraph 36(1)(i).

- (b) £1 for any excess which is not a complete £500.

Calculation of tariff income from capital: persons who are not pensioners

69. The capital of an applicant who is not a pensioner, calculated in accordance with this Part, is to be treated as if it were a weekly income⁽¹⁾ of—

- (a) £1 for each complete £250 in excess of £6,000 but not exceeding £16,000;
- (b) £1 for any excess which is not a complete £250.

PART 10

Students

CHAPTER 1

General

Interpretation

70.—(1) In this Part—

“academic year” (“*blwyddyn academaidd*”) means the period of twelve months beginning on 1 January, 1 April, 1 July or 1 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” (“*cronfeydd mynediad*”) means—

- (a) grants made under section 68 of the Further and Higher Education Act 1992⁽²⁾ 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⁽³⁾;
- (c) grants made under Article 30 of the Education and Libraries (Northern Ireland) Order 1993⁽⁴⁾ or grants, loans or other payments made under Article 5 of the Further Education (Northern Ireland)

(1) Income from capital is taken into account in calculating the income of an applicant who is not a pensioner, *see* paragraph 54(1)(b)(ii).
 (2) 1992 c.13.
 (3) 1980 c.20.
 (4) S.I. 1993/2810.

Order 1997⁽¹⁾ 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 in relation to England or the Welsh Ministers in relation to Wales under section 14 of the Education Act 2002⁽²⁾ or the Chief Executive of Skills Funding under sections 100 and 101 of the Apprenticeships, Skills, Children and Learning Act 2009⁽³⁾; or
- (e) Financial Contingency Funds made available by the Welsh Ministers;

“college of further education” (“*coleg addysg bellach*”) means a college of further education within the meaning of Part 1 of the Further and Higher Education (Scotland) Act 1992⁽⁴⁾;

“contribution” (“*cyfraniad*”) means—

- (a) any contribution in respect of the income of a student or any person which the Secretary of State, the Welsh Ministers, 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 that person were the spouse or civil partner of that parent; or
 - (iv) the holder’s spouse or civil partner;

“course of study” (“*cwrs astudio*”) means any course of study, whether or not it is a sandwich

(1) S.I. 1997/1772.
(2) 2002 c.32.
(3) 2009 c.22.
(4) 1992 c.37.

course and whether or not a grant is made for attending or undertaking it;

“covenant income” (“*incwm cyfamod*”) means the gross income payable to a full-time student under a Deed of Covenant by that student’s parent;

“education authority” (“*awdurdod addysg*”) means a government department, a local authority as defined in section 579 of the Education Act 1996⁽¹⁾ (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973⁽²⁾, an education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986⁽³⁾, any body which is a research council for the purposes of the Science and Technology Act 1965⁽⁴⁾ 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” (“*cwrs astudio llawn amser*”) means a full-time course of study which—

- (a) is not funded in whole or in part by the Secretary of State in relation to England or the Welsh Ministers in relation to Wales under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, 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 in relation to England or the Welsh Ministers in relation to Wales under section 14 of the Education Act 2012 or the Chief Executive of Skills Funding 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 under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student’s learning agreement signed on behalf of the establishment which is

(1) 1996 c.56.
(2) 1973 c.65.
(3) S.I. 1986/594 (N.I. 3).
(4) 1965 c.4.

- funded by either of those bodies for the delivery of that course; 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 the Welsh Ministers 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” (*“myfyriwr amser llawn”*) means a person attending or undertaking a full-time course of study and includes a student on a sandwich course;

“grant” (*“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 7 or paragraph 53 of Schedule 9 (**allowances and payments for courses of study**) applies;

“grant income” (*“incwm grant”*) means—

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

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

“last day of the course” (*“diwrnod olaf y cwrs”*) 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;

- (b) 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” (“*cyfnod astudio*”) 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 the student’s studying throughout the year or, if the student does not have a grant or loan, where a loan would have been assessed at such a rate had the student had one; or
 - (ii) in any other case, the day before the start of the normal summer vacation appropriate to the student’s 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” (“*cyfnodau o brofiad*”) means periods of work experience which form part of a sandwich course;

“qualifying course” (“*cwrs cymwys*”) means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker’s Allowance Regulations 1996⁽¹⁾;

“sandwich course” (“*cwrs rhyngosod*”) has the meaning prescribed in regulation 2(10) of the Education (Student Support) Regulations 2011⁽²⁾, regulation 2(6) of the Education (Student Support) (Wales) Regulations 2012⁽³⁾, regulation 4(2) of the Education (Student Loans) (Scotland) Regulations 2007⁽⁴⁾, or regulation 2(10) of the

(1) S.I. 1996/207.
(2) S.I. 2011/1986.
(3) S.I. 2012/3097 (W. 313).
(4) S.S.I. 2007/154.

Education (Student Support) (No. 2) Regulations (Northern Ireland) 2009⁽¹⁾, as the case may be;

“standard maintenance grant” (“*grant cynhaliaeth safonol*”) means—

- (a) except where 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⁽²⁾ (“the 2003 Regulations”) for such a student;
- (b) except where paragraph (c) applies, in the case of a student residing at that student’s parent’s home, the amount specified in paragraph 3 of Schedule 2 to the 2003 Regulations;
- (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 (2)(a) or (b) thereof**;

“student” (“*myfyriwr*”) 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” (“*benthyciad myfyriwr*”) means a loan towards a student’s maintenance pursuant to any regulations made under section 22 of the Teaching and Higher Education Act 1998⁽³⁾, section 73 of the Education (Scotland) Act 1980 or Article 3 of the Education (Student Support)

(1) S.R. 2009/373.

(2) S.I. 2003/1994; relevant amending instrument is S.I. 2008/1477.

(3) 1998 c.30.

(Northern Ireland) Order 1998⁽¹⁾ and includes, in Scotland, a young student's bursary paid under regulation 4(1)(c) of the Students' Allowances (Scotland) Regulations 2007⁽²⁾.

(2) For the purposes of the definition of "full-time student" (*"myfyriwr amser llawn"*) 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 the person 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 the person finally abandons the course or is dismissed from it;
- (b) in any other case, throughout the period beginning on the date on which the person starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as the person 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 the person was attending or undertaking a part of the course as a full-time course of study, any period in respect of which the person 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 the person is required to attend or undertake the course.

(1) S.I. 1998/760 (N.I. 14).
(2) S.S.I. 2007/153.

(4) In sub-paragraph (2), “modular course” (“*cwrs modiwlaid*”) 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.

Treatment of students

71. This scheme has effect in relation to students subject to paragraph 72 (students excluded from entitlement to a council tax reduction under this scheme) and the following provisions of this Part.

Students who are excluded from entitlement to a council tax reduction under this scheme

72.—(1) The students who are excluded from entitlement to a reduction under this scheme are—

- (a) students who are pensioners⁽¹⁾; and
- (b) subject to sub-paragraphs (2) and (7)—
 - (i) full-time students, and
 - (ii) students who are persons treated as not being in Great Britain.

(2) Sub-paragraph (1)(b) does not apply to a student—

- (a) who is a person on income support, an income-based jobseeker’s allowance or an income-related employment and support allowance;
- (b) who is a lone parent;
- (c) whose applicable amount would, but for this paragraph, include the disability premium or severe disability premium;
- (d) whose applicable amount would include the disability premium but for the student being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
- (e) 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

(1) See paragraph 3(2)(a) of this scheme.

- than 56 days must be treated as one continuous period;
- (f) 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⁽¹⁾ 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;
 - (g) who has a partner who is also a full-time student, if the student or that partner is treated as responsible for a child or young person;
 - (h) 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⁽²⁾ or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968⁽³⁾;
 - (i) who is—
 - (i) aged under 21 and whose course of study is not a course of higher education,
 - (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);
 - (j) 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 regulation 4 of the Students' Allowances (Scotland) Regulations 2007 or, as the case may be, under the Education Authority (Bursaries) (Scotland) Regulations 2007⁽⁴⁾, in respect of expenses incurred;
 - (iii) a payment has been made under section 2 of the Education Act 1962⁽⁵⁾ or by virtue

(1) S.I. 2008/794.
 (2) 1989 c.41.
 (3) 1968 c.49.
 (4) S.S.I. 2007/149.
 (5) 1962 c.12.

of regulations made under the Teaching and Higher Education Act 1998;

- (iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005⁽¹⁾, regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000⁽²⁾, or regulation 41 of the Education (Student Support) (No. 2) Regulations (Northern Ireland) 2009; or
- (v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 2003⁽³⁾ or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of the student's disability by reason of deafness.

(3) 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.

(4) For the purposes of sub-paragraph (2), once sub-paragraph (2)(e) applies to a full-time student, if that student 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 that student again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to that student for so long as that student remains incapable or is treated as remaining incapable, of work..

(5) 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⁽⁴⁾.

(6) A full-time student to whom sub-paragraph (2)(i) applies must be treated as satisfying that sub-paragraph from the date on which that student made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

(7) 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, the student ceases to attend or undertake a course because the student is—

(1) S.I. 2005/52.
(2) S.I. 2000/213.
(3) S.R. 2003/459.
(4) 1988 c.40.

- (i) engaged in caring for another person; or
- (ii) ill;
- (b) the student has subsequently ceased to be engaged in caring for that person or, as the case may be, the student has subsequently recovered from that illness; and
- (c) the student is not eligible for a grant or a student loan in respect of the period specified in sub-paragraph (8).

(8) The period specified for the purposes of sub-paragraph (7) is the period, not exceeding one year, beginning on the day on which the student ceased to be engaged in caring for that person or, as the case may be, the day on which the student recovered from that illness and ending on the day before—

- (a) the day on which the student resumes attending or undertaking the course; or
- (b) the day from which the relevant educational establishment has agreed that the student may resume attending or undertaking the course,

whichever first occurs.

CHAPTER 2

Income

Calculation of grant income

73.—(1) The amount of a student's grant income to be taken into account in assessing the student's income must, subject to sub-paragraphs (2) and (3), be the whole of the student's 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 the student resides during the student's 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 that person;
- (f) intended to meet the cost of books and equipment;

- (g) intended to meet travel expenses incurred as a result of the student's attendance on the course;
- (h) intended for the child care costs of a child dependant;
- (i) of higher education bursary for care leavers made under Part 3 of the Children Act 1989.

(3) Where a student does not have a student loan and is not treated as possessing such a loan, there must be excluded from the student's grant income—

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) 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 dependants 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 dependants paid under section 63(6) of the Health Services and Public Health Act 1968⁽¹⁾ (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of

(1) 1968 c.46.

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 weeks.

(7) In a case where a student is in receipt of a student loan or where the student could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither sub-paragraph (6) nor paragraph 77(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.

Calculation of covenant income where a contribution is assessed

74.—(1) 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 the student's 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 (3), the amount of the contribution.

(2) 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.

(3) 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 73(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).

Covenant income where no grant income or no contribution is assessed

75.—(1) Where a student is not in receipt of income by way of a grant the amount of the student's covenant income must be calculated as follows—

- (a) any sums intended for any expenditure specified in paragraph 73(2)(a) to (e) (calculation of grant income) necessary as a result of the student's 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 73(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 the student's 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 73(2)(a) to (e); and
- (b) the amount to be disregarded under sub-paragraph (1)(c) must be abated by an amount equal to the amount of any sums disregarded under paragraph 73(2)(f) and (g) and (3).

Relationship with amounts to be disregarded under Schedule 7

76. No part of a student's covenant income or grant income is to be disregarded under paragraph 19 of Schedule 7 (disregard of certain charitable and voluntary, etc., payments).

Other amounts to be disregarded

77.—(1) For the purposes of ascertaining income other than grant income, covenant income and loans

treated as income in accordance with paragraph 78 (treatment of student loans), any amounts intended for any expenditure specified in paragraph 73(2) (calculation of grant income), necessary as a result of the student's attendance on the course is to 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 73(2) or (3), 74(3), 75(1)(a) or (c) or 78(5) (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

Treatment of student loans

78.—(1) A student 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 1 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” (“*chwarter*”) 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 1 September, the reduction week, the first day of which coincides with, or immediately follows, the earlier of 1 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;

- (d) 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 there is to be disregarded £10.

(3) A student is to be treated as possessing a student loan in respect of an academic year where—

- (a) a student loan has been made to the student in respect of that year; or
- (b) the student could acquire such a loan in respect of that year by taking reasonable steps to do so.

(4) Where a student is treated as possessing a student loan under sub-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 the student 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 the student;
- (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) the student took all reasonable steps to obtain the maximum student loan that student 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.
- (5) 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.

Treatment of fee loans

79. 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 1988, section 22 of the Teaching and Higher Education Act 1998 or section 73(f) of the Education (Scotland) Act 1980, will be disregarded as income.

Treatment of payments from access funds

80.—(1) This paragraph applies to payments from access funds that are not payments to which paragraph 83(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 7 (disregards in the calculation of income other than earnings: persons who are not pensioners)—

- (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 the applicant's family; and
- (b) any payments from access funds which are used for any council tax or water charges for which that applicant or any other member of the applicant's family 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 1 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.

Disregard of contribution

81. Where the applicant or the applicant's 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.

Further disregard of student's income

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

Income treated as capital

83.—(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 any other member of the applicant's family is liable, must be disregarded as capital but only for a period of 52 weeks from the date of the payment.

Disregard of changes occurring during summer vacation

84. 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 the student's period of study from the date on which the change occurred to the end of that vacation.

PART 11

Extended reductions

Extended reductions: pensioners

85. Paragraphs 86 to 91 apply in relation to applicants who are pensioners.

Extended reductions (qualifying contributory benefits): pensioners

86.—(1) Except in the case of an applicant who is in receipt of state pension credit, an applicant who is entitled to a reduction under this scheme (by virtue of falling within class A or B) must be 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 falling within class A or B where—

- (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).

Duration of extended reduction period (qualifying contributory benefits): pensioners

87.—(1) Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the day immediately following the day on which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

(2) The extended reduction period ends—

- (a) at the end of a period of four weeks; or
- (b) on the date on which the applicant who is receiving the extended reduction (qualifying contributory benefits) has no liability for council tax, if that occurs first.

Amount of extended reduction (qualifying contributory benefits): pensioners

88.—(1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) the applicant is entitled to is the greater of—

- (a) the amount of council tax reduction to which the applicant was entitled by virtue of falling within class A or B in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
- (b) the amount of reduction under this scheme to which the applicant would be entitled by virtue of falling within class A or B for any reduction week during the extended reduction period, if paragraph 86 (extended reductions (qualifying contributory benefits): pensioners) 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 falling within class A or B, if paragraph 86 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, the authority will not award a reduction in pursuance of that application during the extended reduction period.

Extended reductions (qualifying contributory benefits)-movers: pensioners

89.—(1) This paragraph applies—

- (a) to a mover⁽¹⁾; and
- (b) from the Monday following the day of the move.

(2) The amount of the extended reduction (qualifying contributory benefit) awarded from the Monday from which this paragraph applies until the end of the extended reduction period is 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.

Relationship between extended reduction (qualifying contributory benefits) and entitlement to a reduction by virtue of falling within class A or B

90.—(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 86(1)(b) (extended reductions (qualifying contributory benefits): pensioners), that reduction does not cease to have effect until the end of the extended reduction period.

(1) See also paragraph 103 in relation to persons moving into the area of the authority from another authority's area.

(2) Part 12 (period of entitlement and changes of circumstances) will not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 88(1)(a) or paragraph 89(2) (amount of extended reduction — movers: pensioners).

Continuing reductions where state pension credit claimed: pensioners

91.—(1) This paragraph applies where—

- (a) the applicant is entitled to a reduction under this scheme;
- (b) sub-paragraph (2) is satisfied; and
- (c) either—
 - (i) the applicant has attained the qualifying age for state pension credit or, if the applicant's entitlement to income-based jobseeker's allowance or income-related employment and support allowance continued beyond that age, has attained the age of 65; or
 - (ii) the applicant's partner has actually claimed state pension credit.

(2) This sub-paragraph is only satisfied if the Secretary of State has certified to the authority that the applicant's partner has actually claimed state pension credit or that—

- (a) the applicant's award of—
 - (i) income support has terminated because the applicant has attained the qualifying age for state pension credit; or
 - (ii) income-based jobseeker's allowance or income-related employment and support allowance has terminated because the applicant has attained the qualifying age for state pension credit or the age of 65; and
- (b) the applicant has claimed or is treated as having claimed or is required to make a claim for state pension credit.

(3) Subject to sub-paragraph (4), in a case to which this paragraph applies, a person continues to be entitled to a reduction under this scheme for the period of 4 weeks beginning on the day following the day the applicant's entitlement to income support or, as the case may be, income-based jobseeker's allowance, income-related employment and support allowance, ceased, if and for so long as the applicant otherwise satisfies the conditions for entitlement to a reduction under this scheme.

(4) Where a reduction under this scheme is awarded for the period of 4 weeks in accordance

with sub-paragraph (3) above, and the last day of that period falls on a day other than the last day of a reduction week, then a reduction under this scheme is to continue to be awarded until the end of the reduction week in which the last day of that period falls.

(5) Throughout the period of 4 weeks specified in sub-paragraph (3) and any further period specified in sub-paragraph (4)—

- (a) the whole of the income and capital of the applicant is to be disregarded;
- (b) the applicant's maximum council tax reduction is to be that which was applicable in the applicant's case immediately before that period commenced.

(6) The maximum council tax reduction is to be calculated in accordance with paragraph 27(1) if, since the date it was last calculated—

- (a) the applicant's council tax liability has increased; or
- (b) a change in the deduction under paragraph 28 (non-dependant deductions) falls to be made.

Extended reductions: persons who are not pensioners (general)

92. Paragraphs 93 to 102 apply in relation to applicants who are not pensioners.

Extended reductions: persons who are not pensioners

93.—(1) An applicant who is entitled to a reduction under this scheme (by virtue of falling within class C or D) is to be 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 are to 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 class C or D where—

- (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.

Duration of extended reduction period: persons who are not pensioners

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

(2) 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.

Amount of extended reduction: persons who are not pensioners

95.—(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 greater of the amount of reduction under this scheme to which—

- (a) the applicant was entitled by virtue of falling within class C or D 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 applicant would be entitled by virtue of falling within class C or D for any reduction week during the extended reduction period, if paragraph 93 (extended reductions: persons who are not pensioners) did not apply to the applicant; or
- (c) the applicant's partner would be entitled by virtue of falling within class C or D, 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 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.

Extended reductions-movers: persons who are not pensioners

96.—(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 the mover, or the mover's 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 (qualifying contributory benefits) may take the form of a payment from this authority to—

- (a) the second authority; or
- (b) the mover directly.

Relationship between extended reduction and entitlement to reduction by virtue of falling within class C or D

97.—(1) Where an applicant's 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 93(1)(b) (extended reductions: persons who are not pensioners), that entitlement does not cease until the end of the extended reduction period.

(2) Paragraphs 104 and 105 (period of entitlement and change of circumstances) do not apply to any extended reduction payable in accordance with paragraph 95(1)(a) or 96(2) (amount of extended reduction-movers: persons who are not pensioners).

Extended reductions (qualifying contributory benefits): persons who are not pensioners

98.—(1) An applicant who is entitled to a reduction under this scheme by virtue of falling within class C or D will be 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 falling within class C or D where—

- (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).

Duration of extended reduction period (qualifying contributory benefits): persons who are not pensioners

99.—(1) Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the day immediately following the day on which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

(2) The extended reduction period ends—

- (a) at the end of a period of four weeks; or
- (b) 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.

Amount of extended reduction (qualifying contributory benefits): persons who are not pensioners

100.—(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—

- (a) to which the applicant was entitled by virtue of falling within class C or D in the last reduction week before the applicant or

the applicant's partner ceased to be entitled to a qualifying contributory benefit;

- (b) to which the applicant would be entitled by virtue of falling within class C or D for any reduction week during the extended reduction period, if paragraph 98 (extended reductions (qualifying contributory benefits): persons who are not pensioners) did not apply to the applicant; or
- (c) to which the applicant's partner would be entitled by virtue of falling within class C or D, if paragraph 98 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 under this scheme is to be awarded by the authority during the extended reduction period.

Extended reductions (qualifying contributory benefits)-movers: persons who are not pensioners

101.—(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 benefits) 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 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) that second authority; or
- (b) the mover directly.

Relationship between extended reduction (qualifying contributory benefits) and entitlement to reduction by virtue of falling within class C or D

102.—(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 98(1)(b) (extended reductions (qualifying contributory benefits): persons who are not pensioners), that reduction does not cease until the end of the extended reduction period.

(2) Paragraphs 104 and 105 (period of entitlement and change of circumstances) do not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraphs 100(1)(a) or 101(2) (amount of extended reduction-movers: persons who are not pensioners).

Extended reductions: movers into the authority's area: persons who are not pensioners

103.—(1) Where—

- (a) an application is made to the authority for a reduction under this scheme, and
- (b) the applicant, or the partner of the applicant, is in receipt of an extended reduction from—
 - (i) another billing authority in Wales;
 - (ii) a billing authority in England;
 - (iii) a local authority in Scotland, or
 - (iv) a local authority in Northern Ireland,

the authority must reduce any reduction to which the applicant is entitled under this scheme by the amount of that extended reduction.

(2) For the purposes of this paragraph “billing authority” (“*awdurdod bilio*”) means a billing authority as defined in section 1 of the 1992 Act.

PART 12

Period of entitlement and change of circumstances

Date on which entitlement begins

104. 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 to be so entitled from the date on which the application is treated as made in accordance with paragraph 108 (date on which application is made).

Date on which change of circumstances is to take effect

105.—(1) Except in cases where paragraph 57 (disregard of changes in tax, contributions, etc) applies and subject to the following provisions of this paragraph and (in the case of applicants who are

pensioners) paragraph 106 (change of circumstances where state pension credit in payment), 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 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 will be 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 12 of that Act, it is to take effect from the day on which the change in amount has effect.

(5) Where the change of circumstances is the applicant’s acquisition of a partner, the change takes effect on the day on which the acquisition takes place.

(6) Where the change of circumstances is the death of an applicant’s partner or their separation, it takes effect on the day the death or separation occurs.

(7) 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 is to take effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

(8) Without prejudice to sub-paragraph (7), 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.

Change of circumstances where state pension credit in payment

106.—(1) Sub-paragraphs (2) to (4) apply where—

- (a) the applicant is in receipt of state pension credit;
- (b) the amount of state pension credit awarded to the applicant is changed in consequence of a change in the applicant's circumstances or the correction of an official error; and
- (c) the change in the amount of state pension credit payable to the applicant results in a change in the amount of a reduction the applicant receives under this scheme.

(2) Where the change of circumstance is that an increase in the amount of state pension credit payable to the applicant results in—

- (a) an increase in the reduction the applicant receives under this scheme, the change takes effect on the day on which the state pension credit becomes payable at the increased rate; or
- (b) a decrease in the reduction the applicant receives under this scheme, the change takes effect on the day on which—
 - (i) state pension credit becomes payable at the increased rate; or
 - (ii) the authority receives notification from the Secretary of State of the increase in the amount of state pension credit,

whichever is the later.

(3) Where the change of circumstance (“the relevant change”) is that the applicant's state pension credit has been reduced and in consequence the reduction the applicant receives under this scheme reduces—

- (a) in a case where the applicant's state pension credit has been reduced because the applicant failed to notify the Secretary of State timeously of a change of circumstances, the relevant change takes effect on the day on which state pension credit was reduced; or
- (b) in any other case the relevant change takes effect from the first day on which—
 - (i) the state pension credit is reduced; or
 - (ii) the authority receives notification from the Secretary of State of the reduction in the amount of state pension credit,

whichever is the later.

(4) Where the change of circumstance is that the applicant's state pension credit is reduced and in consequence of the change, the amount of reduction the applicant receives under this scheme is increased, the change takes effect on the day on

which state pension credit becomes payable at the reduced rate.

(5) Where a change of circumstance occurs in that an award of state pension credit has been made to the applicant or the applicant's partner and this would result in a decrease in the amount of reduction the applicant receives under this scheme, the change takes effect on the day on which—

- (a) entitlement to state credit pension begins; or
- (b) the authority receives notification from the Secretary of State of the award of state pension credit,

whichever is the later.

(6) Where, in the case of an applicant who, or whose partner, is or has been awarded state pension credit comprising only the savings credit, there is—

- (a) a change of circumstances of a kind described in any of sub-paragraphs (2) to (5) which results from a relevant calculation or estimate; and
- (b) a change of circumstances which is a relevant determination,

each of which results in a change in the amount of reduction the applicant receives under this scheme, the change of circumstances referred to in paragraph (b) takes effect from the day specified in sub-paragraph (2), (3), (4) or (5) as the case may be, in relation to the change referred to in paragraph (a).

(7) Where a change of circumstance occurs in that a guarantee credit has been awarded to the applicant or the applicant's partner and this would result in an increase in the amount of a reduction the applicant receives under this scheme, the change takes effect on the day on which the guarantee credit is first payable.

(8) Where a change of circumstances would, but for this sub-paragraph, take effect under the preceding provisions of this paragraph within the 4 week period specified in paragraph 91 (continuing reductions where state pension credit claimed: pensioners), that change takes effect on the first day after the expiry of the 4 week period.

(9) In this paragraph—

“official error” (“*camgymeriad swyddogol*”) means an error made by—

- (a) the authority or a person—
 - (i) authorised to carry out any function of the authority relating to this scheme; or
 - (ii) providing services relating to this scheme directly or indirectly to the authority; or

(b) an officer of—

- (i) the Department for Work and Pensions;
or
- (ii) the Commissioners for Revenue and Customs,

acting as such, but excludes any error caused wholly or partly by any person or body not specified in paragraph (a) or (b) of this definition and any error of law which is shown to have been an error only by virtue of a subsequent decision of the court;

“relevant calculation or estimate” (*“cyfrifiad neu amcangyfrif perthnasol”*) means the calculation or estimate made by the Secretary of State of the applicant’s or, as the case may be, the applicant’s partner’s income and capital for the purposes of the award of state pension credit;

“relevant determination” (*“penderfyniad perthnasol”*) means a change in the determination by the authority of the applicant’s income and capital using the relevant calculation or estimate, in accordance with paragraph 33(1) (calculation of pensioner’s income in savings credit only cases).

PART 13

Applications

Who may make an application

107.—(1) In the case of—

- (a) a couple or (subject to paragraph (b)) 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; or
- (b) members of a polygamous marriage to whom paragraph 34 (calculation of income and capital: persons who are not pensioners who have an award of universal credit) applies, an application is to be made by whichever one of the parties to the earliest marriage that still subsists they agree should so apply or, in default of agreement, by such one of them as the authority determines.

(2) Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and—

- (a) a deputy has been appointed by the Court of Protection with power to claim, or as the

case may be, receive benefit on that person's behalf; or

- (b) in Scotland, that person's estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000⁽¹⁾ who has power to apply or, as the case may be, receive benefit on that person's 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⁽²⁾, the Enduring Powers of Attorney Act 1985⁽³⁾ or the Mental Capacity Act 2005⁽⁴⁾ 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 that person, the authority may, upon written application made to it 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 the person who is unable to act might be entitled under this scheme, and to receive and deal on that person's behalf with any sums payable to that person.

(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 that person's behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987⁽⁵⁾ (persons unable to act), the authority may if the person so appointed agrees, treat that person as if that person had been appointed by it 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 that person's office after having given 4 weeks notice in writing to the authority of that person's intention to do so;

(1) 2000 asp 4.
(2) 1971 c.27.
(3) 1985 c.29.
(4) 2005 c.9.
(5) S.I. 1987/1968.

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

(6) Anything required by this 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 is to 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 113(1)(a) of this scheme (duty to notify change of circumstances);
- (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 a reduction or its amount.

Date on which an application is made

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

(a) in a case where—

- (i) an award of state pension credit which comprises a guarantee credit has been made to the applicant or the applicant's partner, and
- (ii) the application for a reduction under this scheme is made within one month of the date on which the claim for that state pension credit which comprises a guarantee credit was received at the appropriate DWP office,

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

(b) in a case where—

- (i) an applicant or the applicant's partner is a person in receipt of guarantee credit,
- (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which the applicant occupies as the applicant's home, and
- (iii) the application to the authority is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(c) in a case where—

- (i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or the applicant's partner, and
- (ii) the application for a reduction under this scheme is made within one month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,

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

(d) in a case where—

- (i) an applicant or the applicant's 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 the applicant occupies as the applicant's home, and
- (iii) the application to the authority is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(e) in a case where—

- (i) the applicant is the former partner of a person who was, at the date of that person's death or the separation of the applicant and that person, entitled to a reduction under this scheme, and
- (ii) where the applicant makes an application for a reduction under this scheme within one month of the date of the death or the separation,

the date of the death or the separation;

- (f) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received at the designated office 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;

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

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

- (a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or
- (b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days),

have been entitled to that allowance.

(3) Where the defect referred to in paragraph 7 of Schedule 1 to **this scheme** (telephone application)—

- (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 is to treat the application as if it had been duly made in the first instance;
- (b) is not corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority is to treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide on the application.

(4) The authority is to 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 4(1)(a) of Schedule 1 (incomplete form) applies, the authority receives at the designated offices 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 considers reasonable; or

(b) where paragraph 4(1)(b) of Schedule 1 (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 the applicant; or, as the case may be,

(ii) the applicant supplies whatever information or evidence was requested under paragraph 4 of that Schedule within one month of the request,

or, in either case, within such longer period as the authority considers 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 within one month of the request or within such longer period as the authority considers reasonable.

(6) Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that the person will become so liable within the period of 13 weeks (the relevant period), the person may apply for a reduction under this scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority is to 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 this scheme at the time that the application is received by the authority but the authority is of the opinion that, unless there is a change of circumstances, the applicant will be entitled to a reduction under this scheme for a period beginning not later than the thirteenth reduction week following the date on which the application is made (or such other period as the authority considers reasonable), 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” (“*swyddfa briodol yr Adran Gwaith a Phensiynau*”) means an office of the Department of Work and Pensions dealing with state pension credit or an office which is normally open to the

public for the receipt of claims for income support, a jobseeker's allowance or an employment and support allowance.

Back-dating of applications: pensioners

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

(2) In any case where paragraph 108(1)(a) applies (date on which application is made), sub-paragraph (1) does not entitle a person to apply for a reduction under this scheme in respect of any day earlier than 3 months before the date on which the claim for state pension credit is made (or treated as made by virtue of any provision of the Social Security (Claims and Payments) Regulations 1987⁽¹⁾).

Back-dating of applications: persons who are not pensioners

110.—(1) Where an applicant who is a person who is not a pensioner—

- (a) makes an application under this scheme which includes (or which the applicant subsequently requests should include) a period before the application is made; and
- (b) from a day in that period, up to the date the applicant made the application (or subsequently requested that the application should include a past period), the applicant had continuous good cause for failing to make an application (or request that the application should include that period),

the application is to be treated as made on the date determined in accordance with sub-paragraph (2).

(2) That date is the latest of—

- (a) the first day from which the applicant had continuous good cause;
- (b) the day 3 months before the date the application was made;
- (c) the day 3 months before the date when the applicant requested that the application should include a past period.

⁽¹⁾ S.I. 1987/1968.

Evidence and information

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

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

- (a) the application is accompanied by—
 - (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - (ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or
- (b) the person has made an application for a national insurance number to be allocated to that person and the application for the reduction is accompanied by—
 - (i) evidence of the application for a national insurance number to be so allocated; and
 - (ii) the information or evidence enabling it to be so allocated.

(3) Sub-paragraph (2) does not apply—

- (a) in the case of a child or young person in respect of whom an application for a reduction is made;
- (b) to a person who—
 - (i) is treated as not being in Great Britain for the purposes of this scheme;
 - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999(1); and
 - (iii) has not previously been allocated a national insurance number.

(4) Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under this 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 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 this scheme and

(1) 1999 c.33.

must do so within one month of the authority requiring the person to do so or such longer period as the authority considers reasonable.

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

(6) Where a request is made under sub-paragraph (4), the authority must—

- (a) inform the applicant or the person to whom a reduction under this scheme has been awarded of the applicant's or that other person's duty under paragraph 113 (duty to notify changes of circumstances) to notify the authority of any change of circumstances; and
- (b) without prejudice to the extent of the duty owed under paragraph 113, indicate to the person either orally or by notice or by reference to some other document available to the person on application and without charge, the kind of change of circumstances which is to be notified to the authority.

(7) This sub-paragraph applies to any of the following payments—

- (a) a payment which is—
 - (i) disregarded under paragraph 28 of Schedule 7 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners) or paragraph 38 of Schedule 9 (capital disregards: persons who are not pensioners); or
 - (ii) made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
- (b) a payment which is disregarded under paragraph 16 of Schedule 8 (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 28(9)(b) or (c) (non-dependant deductions) other than a payment under the Independent Living Fund (2006).

(8) Where an applicant or a person to whom a reduction under this 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, the person 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.

Amendment and withdrawal of application

112.—(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 Part 1 of Schedule 1, the amendment may also be made by telephone.

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

(4) A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.

(5) Where the application was made by telephone in accordance with Part 1 of Schedule 1, the withdrawal may also be made by telephone.

(6) Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) is to have 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.

Duty to notify changes of circumstances

113.—(1) Subject to sub-paragraphs (3) and (7), the applicant (or any person acting on the applicant's 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 this scheme) including at any time while the applicant is in receipt of such a reduction.

(2) The applicant (or any person acting on the applicant's behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect the applicant's entitlement to, or the amount of, a

reduction under this 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 Part 1 of Schedule 1 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 the 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 the applicant’s 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 this scheme to which the applicant is entitled, other than the cessation of that entitlement to the benefit.

(4) For the purposes of sub-paragraph (3)(c) “relevant benefit” (“*budd-dal perthmasol*”) 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 the applicant’s family arising from the fact that a person who was a member of the applicant’s family is now no longer such a person because that person has ceased to be a child or young person.

(6) A person who has been awarded a reduction under this scheme who is also on state pension credit must report—

- (a) changes affecting the residence or income of any non-dependant normally residing with the applicant or with whom the applicant normally resides;

- (b) any absence from the dwelling which exceeds or is likely to exceed 13 weeks.

(7) A person whose state pension credit comprises only a savings credit must also report—

- (a) changes affecting a child living with that person which may result in a change in the amount of reduction under this scheme allowed in that person's case, but not changes in the age of the child;
- (b) any change in the amount of the person's capital to be taken into account which does or may take the amount of that person's capital to more than £16,000;
- (c) any change in the income or capital of—
 - (i) a non-dependant whose income and capital are treated as belonging to the applicant in accordance with paragraph 31 (circumstances in which capital and income of a non-dependant is to be treated as applicant's); or
 - (ii) a person to whom paragraph 33(2)(e) (partner treated as member of the household under paragraph 8) refers.

and whether such a person or, as the case may be, non-dependant stops living or begins or resumes living with the applicant.

(8) A person who is entitled to a reduction under this scheme and on state pension credit need only report to the authority the changes specified in subparagraphs (6) and (7).

PART 14

Decisions by authority

Decision by authority

114. The authority must make a decision on an application for a reduction under this scheme within 14 days of paragraphs 108 and 111 and Part 1 of Schedule 1 being satisfied, or as soon as reasonably practicable thereafter.

Notification of decision

115.—(1) The authority must notify in writing any person affected by a decision made by it under this scheme—

- (a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;

- (b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

(2) Where the decision is to award a reduction the notification under sub-paragraph (1) must include a statement—

- (a) informing the person affected of the duty imposed by paragraph 113(1)(b) (duty to notify change of circumstances);
- (b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and
- (c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

(3) Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

(4) The notification under sub-paragraph (1) must also include a statement as to the matters set out in Schedule 10.

(5) A person affected to whom the authority sends or delivers a notification of decision may, within one month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

(6) The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

(7) For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under this scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

(8) This sub-paragraph applies to—

- (a) the applicant;
- (b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act—
 - (i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on the person's behalf; or
 - (ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on the person's behalf; or

- (iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,
- (c) a person appointed by the authority under paragraph 107(3).

PART 15

Award or payment of reduction

The award or payment of a reduction under this scheme

116.—(1) Subject to sub-paragraph (2) where a person is entitled to a reduction under this scheme in respect of that person's liability for council tax as it has effect in respect of a financial year, the authority must discharge that person's entitlement by reducing, so far as possible, the amount of that person's liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers.

(2) Where—

- (a) a person is entitled to a reduction under this scheme in respect of that person's liability for the authority's council tax as it has effect in respect of a financial year;
- (b) the person entitled to the reduction is joint and severally liable for the council tax; and
- (c) the authority determines that discharging that person's entitlement by reducing the amount of that person's 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 that person of the amount of reduction to which that person is entitled, rounded where necessary to the nearest penny.

(3) Subject to sub-paragraph (4) any payment made under sub-paragraphs (1) or (2) must be made to the person who is entitled to the reduction.

(4) Where a person other than the person who is entitled to the reduction under this scheme made the application for the reduction and that first person is a person acting pursuant to an appointment under paragraph 107(3) (persons appointed to act for a person unable to act) or is treated as having been so appointed by virtue of

paragraph 107(4), the amount of the reduction may be paid to that person.

SCHEDULE 1

Procedural matters

PART 1

Procedure for an application for a reduction under this scheme

Procedure by which a person may apply for a reduction under this scheme

1. Paragraphs 2 to 7 of this Schedule apply to an application for a reduction under this scheme.

2. An application may be made—

- (a) in writing;
- (b) by means of an electronic communication in accordance with Part 4 of this Schedule; or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

3.—(1) An application which is made in writing must be made to the designated office and be—

- (a) on a properly completed form approved by the authority for the purposes of making an application in writing; or
- (b) in such written form as the authority accepts as sufficient in the circumstances of any particular case (or class of cases) having regard to the sufficiency of the written information and evidence.

(2) Where an application in writing is not made in the form described in paragraph 3(1)(a) or (b) it is defective.

(3) Any form provided by the authority for the purposes of making an application in writing must be provided free of charge.

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

- (a) it was made on the form approved for the purpose but that form is not accepted by the authority as being properly completed, the authority may request the applicant to complete the defective application; 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 supply the applicant with the approved form or request further information or evidence.

(2) An application made on an approved form 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.

5.—(1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.

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

6. 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 that person's circumstances provided by the authority.

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

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

PART 2

Procedure for making an appeal

Procedure by which a person may make an appeal against certain decisions of the authority

8.—(1) A person who is aggrieved by a decision of the authority which affects—

- (a) a person's entitlement to a reduction under this scheme; or
- (b) the amount of any reduction under this scheme,

may serve a written notice on the authority stating the matter by which, and the grounds on which, the person is aggrieved.

(2) A notice under sub-paragraph (1) must be served within one month of the date of service of

the notification of the decision of the authority, or where a person has made a request for a written statement in accordance with paragraph 115(5) of this scheme (request for statement of written reasons), within one month of the date of service of the statement of reasons.

9. 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.

10. Where, following notification under paragraph 9(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with paragraph 9(b) within two months of the service of the person's notice, the person may appeal to a valuation tribunal under section 16 of the 1992 Act.

PART 3

Procedure for applying for a discretionary reduction

Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act

11.—(1) An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made—

- (a) in writing;
- (b) by means of an electronic communication in accordance with Part 4 of this Schedule; or
- (c) where the authority has published a telephone number for the purposes 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 this scheme,

that person's application for a reduction under this scheme may also be treated as an application for a reduction under section 13A (1)(c).

PART 4

Electronic communication

Interpretation

12. In this Part of this Schedule—

“information” (*“gwybodaeth”*) includes an application for a reduction under this scheme and a certificate, notice or other evidence;

“official computer system” (*“system gyfrifiadurol swyddogol”*) means a computer system maintained by or on behalf of the authority for the sending, receiving, processing or storing of any information.

Conditions for the use of electronic communication

13.—(1) The authority may use an electronic communication in connection with applications for, and awards of, reductions under this scheme.

(2) A person other than the authority may use an electronic communication in connection with the matters referred to in sub-paragraph (1) if the conditions specified in sub-paragraphs (3) to (6) are satisfied.

(3) The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.

(4) The second condition is that the person uses an approved method of—

- (a) authenticating the identity of the sender of the communication;
- (b) electronic communication;
- (c) authenticating any application or notice delivered by means of an electronic communication; and
- (d) subject to sub-paragraph (7), submitting to the authority any information.

(5) The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes of this Part of this Schedule.

(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” (“*cymeradwy*”) means approved by means of a direction given by the Chief Executive of the authority for the purposes of this Part of this Schedule.

Use of intermediaries

14. The authority may use intermediaries in connection with—

- (a) the delivery of any information by means of an electronic communication; and
- (b) the authentication or security of anything transmitted by such means,

and may require other persons to use intermediaries in connection with those matters.

Effect of delivering information by means of electronic communication

15.—(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 this scheme, on the day the conditions imposed—

- (a) by this Part of this Schedule; and
- (b) by or under an enactment,

are satisfied.

(2) The authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in sub-paragraph (1).

(3) Information is not to be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

Proof of identity of sender or recipient of information

16. If it is necessary to prove, for the purpose of any legal proceedings, the identity of—

- (a) the sender of any information delivered by means of an electronic communication to an official computer system; or
- (b) the recipient of any such information delivered by means of an electronic communication from an official computer system,

the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

Proof of delivery of information

17.—(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 to be presumed to have been the case where—

- (a) any such information has been delivered to the authority, if the delivery of that information has been recorded on an official computer system; or
- (b) any such information has been delivered by the authority, if the delivery of that information has been recorded on an official computer system.

(2) If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this is to be presumed not to be the case, if that information delivered to the 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 to be presumed to be that recorded on an official computer system.

Proof of content of information

18. 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 to be presumed to be that recorded on an official computer system.

SCHEDULE 2

Applicable amounts: pensioners

PART 1

Personal allowances

Personal allowance

1. The amount specified in column (2) below in respect of each person or couple specified in column (1) is the amount specified for the purposes of paragraph 23(1)(a) of this scheme.

Column (1) Person, Couple or polygamous marriage	Column (2) Amount
(1) Single applicant or lone parent— (a) aged under 65; (b) aged 65 or over.	£145.40; £163.50.
(2) Couple— (a) both members aged under 65; (b) one or both members aged 65 or over	£222.05; £244.95.
(3) If the applicant is a member of a polygamous marriage and none of the members of the marriage has attained the age of 65— (a) for the applicant and the other party to the marriage; (b) for each additional spouse who is a member of the same household as the applicant.	£222.05; £76.65.
(4) If the applicant is a member of a polygamous marriage and one or more members of the marriage are aged 65 or over— (a) for the applicant and the other party to the marriage; (b) for each additional spouse who is a	£244.95; £81.45.

member of the same household as the applicant.	

Child or young person amounts

2.—(1) The amounts specified in column (2) below in respect of each person specified in column (1) are the amounts, for the relevant period specified in column (1), specified for the purposes of paragraph 23(1)(b) of this scheme.

Column (1) Child or Young Person	Column (2) Amount
Person in respect of the period— (a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday; (b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	£65.62; £65.62.

(2) In column (1) of the table “the first Monday in September” (“*y dydd Llun cyntaf ym Medi*”) means the Monday which first occurs in the month of September in any year.

PART 2

Family premium

Family premium

3. The amount for the purposes of paragraph 23(1)(c) of this scheme in respect of a family of which at least one member is a child or young person is £17.40.

PART 3

Premiums

4. The premiums specified in Part 4 are, for the purposes of paragraph 23(1)(d) of this scheme, to be applicable to an applicant who satisfies the condition specified in this Part in respect of that premium.

5.—(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for—

- (a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979⁽¹⁾ applies, any period during which, apart from the provision of those Regulations, that person would be in receipt of that benefit; and
- (b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State or the Welsh Ministers under section 2 of the Employment and Training Act 1973⁽²⁾, or by Skills Development Scotland, Scottish Enterprise or Highland and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990⁽³⁾ or for any period during which that person is in receipt of a training allowance.

(2) For the purposes of the carer premium under paragraph 9 of this Schedule, a person is to be treated as being in receipt of a carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 or AFIP.

Severe disability premium

6.—(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—

(1) S.I. 1979/597.
(2) 1973 c.50.
(3) 1990 c.35.

- (a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3)—
 - (i) the applicant is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or AFIP; and
 - (ii) subject to sub-paragraph (6), the applicant has no non-dependants aged 18 or over normally residing with the applicant or with whom the applicant is normally residing; and
 - (iii) no person is entitled to, and in receipt of, a carer's allowance in respect of caring for the applicant;
- (b) in the case of an applicant who has a partner—
 - (i) the applicant is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or AFIP;
 - (ii) the applicant's partner is also in receipt of such an allowance or, if the applicant is a member of a polygamous marriage, each other member of that marriage is in receipt of such an allowance; and
 - (iii) subject to sub-paragraph (6), the applicant has no non-dependants aged 18 or over normally residing with the applicant or with whom the applicant 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 the couple or, if the applicant is a member of a polygamous marriage, for one or more but not all the members of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance in respect of caring for either member of a couple or any of the members of the marriage.

(3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is blind or is treated as

blind within the meaning of sub-paragraph (4), that partner is to be treated for the purposes of sub-paragraph (2) as if that partner were not a partner of the applicant.

(4) For the purposes of sub-paragraph (3), a person is blind if that person is registered in a register compiled by a local authority under section 29 of the National Assistance Act 1948⁽¹⁾ (welfare services) or, in Scotland, has been certified as blind and in consequence that person is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994⁽²⁾.

(5) For the purposes of sub-paragraph (4), a person who has ceased to be registered as blind on regaining that person's eyesight is nevertheless to be treated as blind and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which that person ceased to be so registered.

(6) For the purposes of sub-paragraph (2)(a)(ii) and (2)(b)(iii) no account is to be taken of—

- (a) a person receiving attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or AFIP; or
- (b) a person who is blind or is treated as blind within the meaning of sub-paragraphs (4) and (5).

(7) For the purposes of sub-paragraph (2)(b) a person is to be treated—

- (a) as being in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, if that person would, but for that person's being a patient for a period exceeding 28 days, be so in receipt;
- (b) as being in receipt of the daily living component of personal independence payment paid at the rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 if that person would, but for that person's being a patient for a period exceeding 28 days, be so in receipt,

(1) 1948 c.29.

(2) 1994 c.39.

notwithstanding section 86 of that Act and regulations made thereunder;

- (c) as being in receipt of AFIP if the person would be so in receipt but for a suspension of payment 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;
- (d) as being entitled to and in receipt of a carer's allowance if that person would, but for the person for whom that person was caring being a patient in hospital for a period exceeding 28 days, be so entitled and in receipt.

(8) For the purposes of sub-paragraph (2)(a)(iii) and (2)(b)—

- (a) no account is to be taken of an award of carer's allowance to the extent that payment of such an award is back-dated for a period before the date on which the award is first paid; and
- (b) references to a person being in receipt of a carer's allowance are to 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⁽¹⁾ (loss of benefit provisions).

Enhanced disability premium

7.—(1) The condition is that—

- (a) the care component of disability living allowance is, or would, but for a suspension of benefit in accordance with regulations under section 113(2) of the **SSCBA** or but for an abatement as a consequence of hospitalisation, be payable at the highest rate prescribed under section 73(2) of that Act;
- (b) the daily living component of personal independence payment is, or would, but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012, be payable at the enhanced rate prescribed in accordance with section 78(2) of that Act; or
- (c) AFIP is payable,

(1) 2001 c.11.

in respect of a child or young person who is a member of the applicant's family.

(2) Where the condition in sub-paragraph (1) ceases to be satisfied because of the death of a child or young person, the condition is that the applicant or partner is entitled to child benefit in respect of the child or young person under section 145A of the SSCBA (entitlement after death of child or qualifying young person).

Disabled child premium

8. The condition is that a child or young person for whom the applicant or a partner of the applicant 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 or payment because the child or young person is a patient, provided that the child or young person continues to be a member of the family; or
- (b) is blind within the meaning of paragraph 6(4) of this Schedule or treated as blind in accordance with paragraph 6(5); or
- (c) is a child or young person in respect of whom section 145A of the SSCBA (entitlement after death of child or qualifying young person) applies for the purposes of entitlement to child benefit but only for the period prescribed under that section, and in respect of whom a disabled child premium was included in the applicant's applicable amount immediately before the death of that child or young person, or ceased to be included in the applicant's applicable amount because of that child or young person's death.

Carer premium

9.—(1) The condition is that the applicant or the applicant's partner is, or both of them are, entitled to a carer's allowance.

(2) Where a carer premium has been awarded but—

- (a) the person in respect of whose care the carer's allowance has been awarded dies; or
- (b) the person in respect of whom the premium was awarded ceases to be entitled, or ceases to be treated as entitled, to a carer's allowance,

this paragraph is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

(3) The relevant date for the purposes of sub-paragraph (2) is—

- (a) in a case within sub-paragraph (2)(a), the Sunday following the death of the person in respect of whose care the carer's allowance has been awarded (or beginning with the date of death if the date occurred on a Sunday);
- (b) in a case within sub-paragraph (2)(b), the date on which that person who was entitled to a carer's allowance ceases to be entitled to it.

(4) For the purposes of this paragraph, a person is to be treated as being entitled to and in receipt of a carer's allowance for any period not covered by an award but in respect of which a payment is made in lieu of an award.

Persons in receipt of concessionary payments

10. For the purpose of determining whether a premium is applicable to a person under paragraphs 6 to 9 of this Schedule, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

Person in receipt of benefit

11. For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of that person and is to be so regarded only for any period in respect of which that benefit is paid.

PART 4

Amounts of premium specified in Part 3

Provision	Amount
12.-(1) Severe Disability Premium—	
(a) where the applicant satisfies the condition in paragraph 6(2)(a);	£59.50;
(b) where the applicant satisfies the condition in paragraph 6(2)(b)—	
(i) in a case where	

there is someone in receipt of a carer's allowance or if that person or any partner satisfies that condition only by virtue of paragraph 6(7); (ii) in a case where there is no-one in receipt of such an allowance.	£59.50; £119.00.
(2) Enhanced Disability Premium.	£23.45 in respect of each child or young person in respect of whom the conditions specified in paragraph 7 of this Schedule are satisfied.
(3) Disabled Child Premium.	£57.89 in respect of each child or young person in respect of whom the condition specified in paragraph 8 of this Schedule is satisfied
(4) Carer Premium.	£33.30 in respect of each person who satisfies the condition specified in paragraph 9 of this Schedule.

SCHEDULE 3

Applicable amounts: persons who are not pensioners

PART 1

Personal allowances

1. The amounts specified in column (2) below in respect of each person or couple specified in column (1) are the amounts specified for the purposes of paragraphs 24(1)(a) and 25(2)(a) and (b) of this scheme—

Column (1) Person or couple	Column (2) Amount
(1) A single applicant who—	

(a) is entitled to main phase employment and support allowance;	£71.70;
(b) is aged not less than 25;	£71.70;
(c) is aged not less than 18 but less than 25.	£56.80.
(2) Lone parent.	£71.70.
(3) Couple.	£112.55

2. For the purposes of paragraph 1 of this Schedule an applicant is entitled to main phase employment and support allowance if—

- (a) paragraph 18 of this Schedule is satisfied in relation to the applicant; or
- (b) the applicant is entitled to a converted employment and support allowance.

3.—(1) The amounts specified in column (2) below in respect of each person specified in column (1) are, for the relevant period specified in column (1), the amounts specified for the purposes of paragraphs 24(1)(b) and 25(2)(c) of this scheme—

Column (1) Child or young person	Column (2) Amount
Person in respect of the period—	
(a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	£65.62;
(b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	£65.62.

(2) In column (1) of the table in sub-paragraph (1), “the first Monday in September” (“*y dydd Llun cyntaf ym Medi*”) means the Monday which first occurs in the month of September in any year.

PART 2

Family premium

4.—(1) The amount for the purposes of paragraphs 24(1)(c) and 25(2)(d) in respect of a family of which at least one member is a child or young person is—

- (a) where the applicant is a lone parent to whom sub-paragraph (2) applies, £22.20;
- (b) in any other case, £17.40.

(2) The amount in sub-paragraph (1)(a) is to be applicable to a lone parent—

- (a) who was entitled to council tax benefit on 5 April 1998 and whose applicable amount on that date included the amount applicable under paragraph 3(1) of Schedule 1 to the Council Tax Benefit (Persons who have attained the qualifying

age for state pension credit) Regulations 2006⁽¹⁾ as in force on that date; or

(b) on becoming entitled to council tax benefit where that lone parent—

(i) had been treated as entitled to that benefit in accordance with sub-paragraph (3) as at the day before the date of claim for that benefit; and

(ii) was entitled to housing benefit as at the date of claim for council tax benefit or would have been entitled to housing benefit as at that date had that day not fallen during a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006⁽²⁾,

and in respect of whom, all of the conditions specified in sub-paragraph (3) have continued to apply.

(3) The conditions specified for the purposes of sub-paragraph (2) are that, in respect of the period commencing on 6 April 1998—

(a) the applicant has not ceased to be entitled, or has not ceased to be treated as entitled, to—

(i) council tax benefit (in relation to the period prior to 1 April 2013), and

(ii) a reduction under this scheme (in relation to the period commencing on 1 April 2013);

(b) the applicant has not ceased to be a lone parent;

(c) where the applicant was entitled to income support or to an income-based jobseeker's allowance on 5 April 1998, the applicant has continuously, since that date, been entitled to income support, an income-based jobseeker's allowance or income-related employment and support allowance or a combination of those benefits;

(d) where the applicant was not entitled to income support or to an income-based jobseeker's allowance on 5 April 1998, the applicant has not become entitled to income support, an income-based jobseeker's allowance or an income-related employment and support allowance; and

(e) a premium under paragraph 9 of this Schedule or a component under paragraph 21 or 22 of this Schedule has not become applicable to the applicant.

(1) S.I. 2006/216.

(2) S.I. 2006/213.

(4) For the purposes of sub-paragraphs (2)(b)(i) and (3)(a), an applicant is to be treated as entitled to council tax benefit during any period where the applicant was not, or had ceased to be, so entitled and—

- (a) throughout that period, the applicant had been awarded housing benefit and the applicant's applicable amount included the amount applicable under paragraph 3(1)(a) of Schedule 3 to the Housing Benefit Regulations 2006 (lone parent rate of family premium); or
- (b) the applicant would have been awarded housing benefit during that period had that period not been a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006 and the applicant's applicable amount throughout that period would have included the amount applicable under paragraph 3(1)(a) of Schedule 3 to those Regulations.

PART 3

Premiums

5. Except as provided in paragraph 6 of this Schedule, the premiums specified in Part 4 of this Schedule are, for the purposes of paragraphs 24(1)(d) and 25(2)(e) of this scheme, to be applicable to an applicant who satisfies the condition specified in paragraphs 9 to 14 of this Schedule in respect of that premium.

6. Subject to paragraph 7 of this Schedule, where an applicant satisfies the conditions in respect of more than one premium in this Part of this Schedule, only one premium is to be applicable to the applicant and, if they are different amounts, the higher or highest amount is to apply.

7. The following premiums, namely—

- (a) a severe disability premium to which paragraph 11 of this Schedule applies;
- (b) an enhanced disability premium to which paragraph 12 of this Schedule applies;
- (c) a disabled child premium to which paragraph 13 of this Schedule applies; and
- (d) a carer premium to which paragraph 14 of this Schedule applies,

may be applicable in addition to any other premium which may apply under this Schedule.

8.—(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium

is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for—

- (a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979⁽¹⁾ applies, any period during which, apart from the provisions of those Regulations, that person would be in receipt of that benefit; and
- (b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State or the Welsh Ministers under section 2 of the Employment and Training Act 1973⁽²⁾ or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990⁽³⁾ or for any period during which that person is in receipt of a training allowance.

(2) For the purposes of the carer premium under paragraph 14 of this Schedule, a person is to be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA or the daily living component of personal independence payment payable under Part 4 of the Welfare Reform Act 2012, or AFIP.

Disability premium

9. The condition is that—

- (a) where the applicant is a single applicant or a lone parent, the applicant has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10 of this Schedule 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 10(1)(a) or (b) is satisfied by the applicant; or
 - (ii) the applicant's partner has not attained the qualifying age for state pension credit

(1) S.I. 1979/597.
(2) 1973 c.50.
(3) 1990 c.35.

and the additional condition specified in paragraph 10(1)(a) is satisfied by the applicant's partner.

Additional condition for the disability premium

10.—(1) Subject to sub-paragraph (2) and paragraph 8 of this Schedule, the additional condition referred to in paragraph 9 of this Schedule is that either—

- (a) the applicant or, as the case may be, the applicant's partner—
 - (i) is in receipt of one or more of the following benefits: attendance allowance, disability living allowance, personal independence payment, 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⁽¹⁾, 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 the applicant; 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 to 1 April 2013), and
 - (bb) a reduction under this scheme (in relation to the period commencing on 1 April 2013), and

if the long-term incapacity benefit was payable to the applicant's 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 the applicant's partner becoming a patient within the meaning of paragraph 55(11)(i) (treatment of child care charges); or

(1) S.I. 2002/2005.

- (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 55(11)(i) (treatment of child care charges);
- (v) was in receipt of 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) is provided with an invalid carriage or other vehicle by the Secretary of State or a clinical commissioning group under paragraph 9 of Schedule 1 to the National Health Service Act 2006⁽¹⁾ or, in Scotland, under section 46 of the National Health Service (Scotland) Act 1978⁽²⁾ (provision of services by Scottish Ministers) or, in Wales, under section 5 of, and Schedule 1 to the National Health Service (Wales) Act 2006⁽³⁾ or, in Northern Ireland, is provided with an invalid carriage or other vehicle by the Department of Health, Social Services and Public Safety under article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972, or receives payments by way of grant from the Secretary of State under paragraph 10(3) of Schedule 1 to the Act of 2006⁽⁴⁾ (provision of vehicles for disabled persons) or, in Scotland by the Scottish Ministers under section 46 of the Act of 1978; or
- (vii) is blind and in consequence registered in a register compiled by a local authority under section 29 of the National Assistance Act 1948⁽⁵⁾ (welfare services) or, in Scotland, has been certified as blind and in consequence the applicant is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994⁽⁶⁾; or

⁽¹⁾ 2006 c.41.
⁽²⁾ 1978 c.29.
⁽³⁾ 2006 c.42.
⁽⁴⁾ Sub-paragraph (3) was amended by section 17 of the Health and Social Care Act 2012 (c.7).
⁽⁵⁾ 1948 c.29.
⁽⁶⁾ 1994 c.39.

(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.

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

(3) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of the applicant's satisfying the additional condition specified in that provision, if the applicant then ceases, for a period of 8 weeks or less, to be treated as incapable of work or to be incapable of work the applicant is, on again becoming so incapable of work, to immediately thereafter be treated as satisfying the condition in sub-paragraph (1)(b).

(4) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of the applicant satisfying the additional condition specified in that provision, the applicant is to continue to be treated as satisfying that condition for any period spent by the applicant 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 the applicant is in receipt of a training allowance.

(5) 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.

(6) For the purposes of this paragraph, a reference to a person who is or was in receipt of long-term incapacity benefit includes a person who is or was in receipt of short-term incapacity benefit at a rate equal to the long-term rate by virtue of section 30B(4)(a) of the SSCBA (short-term incapacity benefit for a person who is terminally ill), or who would be or would have been in receipt

of short-term incapacity benefit at such a rate but for the fact that the rate of short-term incapacity benefit already payable to that person is or was equal to or greater than the long-term rate.

(7) 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⁽¹⁾ 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 sub-paragraph (3); and

(b) the reference to a period of 56 days in sub-paragraph (5),

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

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

Severe disability premium

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

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

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

(i) 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 AFIP; and

(ii) subject to sub-paragraph (4), the applicant has no non-dependants aged 18 or over normally residing with the applicant with whom the applicant 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 the applicant;

(b) in the case of an applicant who has a partner—

(1) S.I. 1995/311.

- (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 AFIP; and
- (ii) the applicant's partner is also in receipt of such an allowance or, if the applicant is a member of a polygamous marriage, all the members 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 the applicant or with whom the applicant 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 member of a couple or, in the case of a polygamous marriage, for one or more but not all the members of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance in respect of caring for either member of a couple or any member 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 10(1)(a)(vii) and (2) of this Schedule, that partner is to be treated for the purposes of sub-paragraph (2)(b)(ii) as if that person 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 payable at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or AFIP; or
- (b) a person who is blind or is treated as blind within the meaning of paragraph 10(1)(a)(vii) 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 AFIP, if that person would, but for that person's 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 that person would, but for the person for whom that person 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 are to 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⁽¹⁾ (loss of benefit provisions).

Enhanced disability premium

12.—(1) 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, 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 the enhanced rate prescribed in accordance with section 78(2) of the Welfare Reform Act 2012, but for a

⁽¹⁾ 2001 c.11.

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; or

(d) AFIP is payable 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 child or young 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 55(11)(e) of this scheme (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 55(11)(e) and has been for a period of more than 52 weeks.

Disabled child premium

13. The condition is that a child or young person for whom the applicant or a partner of the applicant 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 the child or young person 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 10 of this Schedule; 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.; or
- (d) is in receipt of AFIP.

Carer premium

14.—(1) The condition is that the applicant or the applicant's partner is, or both of them are, entitled to a carer's allowance under section 70 of the SSCBA.

(2) Where a carer premium is awarded but—

- (a) the person in respect of whose care the carer's allowance has been awarded dies; or
- (b) in any other case the person in respect of whom a carer premium has been awarded ceases to be entitled to a carer's allowance,

the condition for the award of the premium is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

(3) The relevant date for the purposes of sub-paragraph (2) is—

- (a) where sub-paragraph (2)(a) applies, the Sunday following the death of the person in respect of whose care a carer's allowance has been awarded or the date of death if the death occurred on a Sunday;
- (b) in any other case, the date on which the person who has been entitled to a carer's allowance ceases to be entitled to that allowance.

(4) Where a person who has been entitled to a carer's allowance ceases to be entitled to that allowance and makes an application for a reduction, the condition for the award of the carer premium is to be treated as satisfied for a period of eight weeks from the date on which—

- (a) the person in respect of whose care the carer's allowance has been awarded dies;
- (b) in any other case, the person who has been entitled to a carer's allowance ceased to be entitled to that allowance.

Persons in receipt of concessionary payments

15. For the purpose of determining whether a premium is applicable to a person under paragraphs 10 to 14 of this Schedule, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

Persons in receipt of benefit for another

16. For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of that person and is to be so regarded only for any period in respect of which that benefit is paid.

PART 4

Amounts of Premiums Specified in Part 3

Premium	Amount
17.—(1) Disability Premium—	
(a) where the applicant satisfies the condition in paragraph 9(a) of this Schedule;	£31.00;
(b) where the applicant satisfies the condition in paragraph 9(b) of this Schedule.	£44.20.
(2) Severe Disability Premium—	
(a) where the applicant satisfies the condition in paragraph 11(2)(a) of this Schedule;	£59.50;
(b) where the applicant satisfies the condition in paragraph 11(2)(b) of this Schedule—	
(i) in a case where there is someone in receipt of a	£59.50;

carer's allowance or if that person or any partner satisfies that condition only by virtue of paragraph 11(5) of this Schedule;	
(ii) in a case where there is no-one in receipt of such an allowance.	£119.00.
(3) Disabled Child Premium.	£57.89 in respect of each child or young person in respect of whom the condition specified in paragraph 13 of Part 3 of this Schedule is satisfied.
(4) Carer Premium.	£33.30 in respect of each person who satisfies the condition specified in paragraph 14 of this Schedule.
(5) Enhanced Disability Premium.	(a) £23.45 in respect of each child or young person in respect of whom the conditions specified in paragraph 12 of this Schedule are satisfied;
	(b) £15.15 in respect of each person who is neither—
	(i) a child or young person; nor
	(ii) a member of a couple or a polygamous marriage, in respect of whom the conditions specified in paragraph 12 of this Schedule are satisfied;
	(c) £21.75 where the

	applicant is a member of a couple or a polygamous marriage and the conditions specified in paragraph 12 of this Schedule are satisfied in respect of a member of that couple or polygamous marriage.

PART 5

The components

18. Subject to paragraph 20 of this Schedule the applicant is entitled to one, but not both, of the components in paragraph 21 or 22 of this Schedule if—

- (a) the applicant or the applicant's partner has made a claim for employment and support allowance;
- (b) the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work or limited capability for work-related activity; and
- (c) either—
 - (i) the assessment phase as defined in section 24(2) of the Welfare Reform Act 2007⁽¹⁾ has ended; or
 - (ii) regulation 7 of the Employment and Support Allowance Regulations 2008⁽²⁾ (circumstances where the condition that the assessment phase has ended before entitlement to the support component or the work related activity component arises does not apply) applies.

19. Subject to paragraph 20, the applicant is entitled to one, but not both, of the components in paragraphs 21 and 22 if the applicant or the applicant's partner is entitled to a converted employment and support allowance.

20.—(1) The applicant has no entitlement under paragraph 21 or 22 if the applicant is entitled to the

(1) 2007 c.5.
 (2) S.I. 2008/794.

disability premium under paragraphs 9 and 10 of this Schedule.

(2) Where the applicant and the applicant's partner each satisfy paragraph 21 or 22, the component to be included in the applicant's applicable amount is that which relates to the applicant.

The work-related activity component

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

The support component

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

PART 6

Amount of Components

23. The amount of the work-related activity component is £28.45.

24. The amount of the support component is £34.80.

PART 7

Transitional Addition

25.—(1) The applicant is entitled to the transitional addition calculated in accordance with paragraph 28 where the applicant or the applicant's partner ("the relevant person")—

- (a) is entitled to a converted employment and support allowance; or
- (b) is appealing a conversion decision as described in regulation 5(2)(b) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No 2) Regulations 2010⁽¹⁾ and—
 - (i) is treated as having limited capability for work by virtue of regulation 30 of the

⁽¹⁾ S.I. 2010/1907.

Employment and Support Allowance Regulations 2008 as modified by the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No 2) Regulations 2010; and

- (ii) is not in receipt of an income-related employment and support allowance,

unless the amount of the transitional addition calculated in accordance with paragraph 28 of this Schedule would be nil.

(2) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following—

- (a) the reduction of the transitional addition to nil in accordance with paragraph 29 of this Schedule;
- (b) the termination of the applicant's award of reduction under this scheme;
- (c) the relevant person ceasing to meet the requirements of sub-paragraph (1)(a) or (b), as the case may be;
- (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
- (e) 5 April 2020.

26.—(1) This paragraph applies where—

- (a) the applicant's entitlement to a transitional addition ends, by virtue of the termination of the applicant's award of reduction, under—
 - (i) paragraph 25(2)(b) of this Schedule;
 - (ii) sub-paragraph (3)(b) of this paragraph; or
 - (iii) paragraph 27(3)(b) of this Schedule;
- (b) within 12 weeks of that termination but before 5 April 2020 the applicant again becomes entitled to a reduction under this scheme;
- (c) in the reduction week in which the applicant again becomes entitled to a reduction under this scheme the relevant person is entitled to an employment and support allowance which is not income-related; and
- (d) at the date on which the applicant again becomes entitled to a reduction under this scheme, neither the applicant nor the applicant's partner is entitled to an income-related employment and support

allowance, an income-based jobseeker's allowance or income support.

(2) Where this paragraph applies, the applicant is entitled, with effect from the day on which the applicant again becomes entitled to a reduction under this scheme, to a transitional addition of the amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph 29), unless the amount of the transitional addition would be nil.

(3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following—

- (a) the reduction of the transitional addition to nil in accordance with paragraph 29 of this Schedule;
- (b) the termination of the applicant's award of a reduction under this scheme;
- (c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(c);
- (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
- (e) 5 April 2020.

27.—(1) This paragraph applies where—

- (a) the applicant's entitlement to a transitional addition ends, by virtue of the relevant person ceasing to be entitled to an employment and support allowance, under—
 - (i) paragraph 25(2)(c) of this Schedule;
 - (ii) paragraph 26(3)(c) of this Schedule; or
 - (iii) sub-paragraph (3)(c) of this paragraph;
- (b) before 5 April 2020 the relevant person again becomes entitled to an employment and support allowance which is not income-related;
- (c) at the date on which the relevant person again becomes entitled to an employment and support allowance which is not income-related, regulation 145(1) of the Employment and Support Allowance Regulations 2008 applies to the relevant person; and
- (d) at the date on which the relevant person again becomes entitled to an employment

and support allowance which is not income-related, neither the applicant nor the applicant's partner is entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support.

(2) Where this paragraph applies, the applicant is entitled, with effect from the day that the relevant person's entitlement to employment and support allowance takes effect for the purposes of a reduction under this scheme, to a transitional addition of the amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph 29 of this Schedule), unless the amount of the transitional addition would be nil.

(3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following—

- (a) the reduction of the transitional addition to nil in accordance with paragraph 29 of this Schedule;
- (b) the termination of the applicant's award of a reduction under this scheme;
- (c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(b);
- (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
- (e) 5 April 2020.

PART 8

Amount of Transitional Addition

28.—(1) Subject to paragraph 29 of this Schedule, the amount of the transitional addition is the amount by which Amount A exceeds Amount B.

(2) Where a conversion decision as described in regulation 5(2)(a) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No. 2) Regulations 2010 ("the 2010 Regulations") is made in respect of the relevant person—

- (a) Amount A is the basic amount that would have applied on the day that decision took effect had that decision not been made; and

(b) Amount B is the basic amount that applied on that day as a result of that decision.

(3) Where the relevant person is appealing a conversion decision as described in regulation 5(2)(b) of the 2010 Regulations and is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations 2008 as modified by the 2010 Regulations—

(a) Amount A is the basic amount that would have applied on the day the relevant person was first treated as having limited capability for work if the relevant person had not been so treated; and

(b) Amount B is the basic amount that applied on that day as a result of the relevant person being so treated.

(4) In this paragraph and paragraph 29, “basic amount” (“*swm sylfaenol*”) means the aggregate of such amounts as may apply in the applicant’s case in accordance with paragraph 24(1)(a) to (e) or paragraph 25(2)(a) to (f) of this scheme.

29.—(1) Subject to sub-paragraph (2), where there is a change of circumstances which leads to an increase in the applicant’s basic amount, the transitional addition that applies immediately before the change of circumstances is to be reduced by the amount by which Amount C exceeds Amount D.

(2) If Amount C exceeds Amount D by more than the amount of the transitional addition that applies immediately before the change of circumstances, that transitional addition is to be reduced to nil.

(3) Amount C is the basic amount that applies as a result of the increase.

(4) Amount D is the basic amount that applied immediately before the increase.

SCHEDULE 4

Sums disregarded from applicant’s earnings: pensioners

1. Where two or more of paragraphs 2 to 5 of this Schedule apply in any particular case the overall maximum sum which falls to be disregarded in that case under those paragraphs is restricted to—

(a) £25 in the case of a lone parent;

(b) £20 in any other case.

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

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

(2) This paragraph applies to employment—

- (a) as a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004⁽¹⁾ or a scheme to which section 4 of that Act applies;
- (b) a part-time fire-fighter employed by the Scottish Fire and Rescue Service⁽²⁾;
- (c) as an auxiliary coastguard in respect of coast rescue activities;
- (d) in the manning or launching of a lifeboat if the employment is part-time;
- (e) as a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001⁽³⁾.

(3) If—

- (a) any of the earnings of the applicant or, if the applicant has a partner, the applicant's partner, or both of them, are disregarded under sub-paragraph (1); and
- (b) either of them has, or both of them have, other earnings,

so much of those other earnings as would not, in the aggregate with the earnings disregarded under that sub-paragraph, exceed £20.

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

(2) Where the carer premium is awarded in respect of the applicant and of any partner of the applicant, their earnings are for the purposes of this paragraph to be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) is not to exceed £20 of the aggregated amount.

(3) In this paragraph the applicant or the applicant's partner is a carer if paragraph 14 of Part 3 of Schedule 3 (amount applicable for carers) is satisfied in respect of the applicant.

5.—(1) £20 is disregarded if the applicant or, if the applicant has a partner, the applicant's partner—

- (a) is in receipt of—

(1) 2004 c.21.
(2) Section 1A of the Fire (Scotland) Act 2005 (asp 5) refers. Section 1A was inserted by section 101 of the Police and Fire Reform (Scotland) Act 2012 (asp 8)..
(3) S.I. 2001/1004.

- (i) long-term incapacity benefit under section 30A of the SSCBA;
- (ii) severe disablement allowance under section 68 of the SSCBA;
- (iii) attendance allowance under section 64 of the SSCBA;
- (iv) disability living allowance;
- (v) personal independence payment;
- (vi) an AFIP;
- (vii) any mobility supplement under article 20 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006⁽¹⁾ (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983⁽²⁾;
- (viii) the disability element or the severe disability element of working tax credit under Schedule 2 to the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002⁽³⁾; or
- (ix) main phase employment and support allowance; or
- (b) is or are registered as blind in a register compiled by a local authority under section 29 of the National Assistance Act 1948⁽⁴⁾ (welfare services) or, in Scotland, has been certified as blind and in consequence is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994⁽⁵⁾; or
- (c) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work), and has been incapable, or has been treated as incapable, of work for a continuous period of not less than—
 - (i) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the SCCBA, 196 days;
 - (ii) in any other case, 364 days; or
- (d) has, or is treated as having, limited capacity for work within the meaning of section 1(4) of the Welfare Reform Act

⁽¹⁾ S.I. 2006/606.
⁽²⁾ S.I. 1983/686.
⁽³⁾ S.I. 2002/2005.
⁽⁴⁾ 1948 c.29.
⁽⁵⁾ 1994 c.39.

2007 or limited capability for work-related activity within the meaning of section 2(5) of that Act and either—

- (i) the assessment phase as defined in section 24(2) of the Welfare Reform Act 2007 has ended; or
- (ii) regulation 7 of the Employment and Support Allowance Regulations 2008⁽¹⁾ (circumstances where the condition that the assessment phase has ended before entitlement to the support component or the work-related activity component arising does not apply) applies.

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

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

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

- (a) entitlement to housing benefit; or
- (b) receipt of a reduction under this scheme; or
- (c) employment,

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

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

6.—(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

(1) S.I. 2008/794.

(c) paragraph 32 of this scheme (pensioners in receipt of guarantee credit) does not apply, the amount specified in sub-paragraph (7) (“the specified amount”).

(2) Where this paragraph applies, paragraphs 1 to 5 and 8 of this Schedule do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 2, then paragraph 2 applies instead of this paragraph.

(3) Notwithstanding paragraph 30 (calculation of income and capital: applicant’s family and polygamous marriages), if sub-paragraph (1) applies to one member of a couple (“A”) it is not to 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 is also to be disregarded so much of B’s earnings as would not when aggregated with A’s earnings exceed the specified amount; but the amount of B’s earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.

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

- (a) in receipt of a contributory employment and support allowance;
- (b) in receipt of incapacity benefit;
- (c) in receipt of severe disablement allowance;
- (d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975⁽¹⁾.

(6) “Exempt work” (“*gwaith esempt*”) 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⁽²⁾,

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 that person’s partner is also undertaking other work.

(1) S.I. 1975/556.

(2) S.I. 1995/41.

(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).

7. Any amount or the balance of any amount which would fall to be disregarded under paragraph 18 or 19 of Schedule 5 had the applicant's income which does not consist of earnings been sufficient to entitle the applicant to the full amount disregarded thereunder.

8. Except where the applicant or the applicant's partner qualifies for a £20 disregard under the preceding provisions of this Schedule—

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

9. Any earnings, other than earnings referred to in paragraph 37(9)(b) of this scheme (calculation of weekly income: pensioners), derived from employment which ended before the day in respect of which the applicant first satisfies the conditions for entitlement to a reduction under this scheme.

10.—(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and the applicant's net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of the applicant's earnings that falls to be disregarded under this Schedule is to be increased by £17.10.

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

- (a) the applicant, or if the applicant has a partner, either the applicant or the applicant's partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002⁽¹⁾ applies; or
- (b) the applicant—
 - (i) is, or any partner of the applicant's is, aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or
 - (ii) if the applicant is a member of a couple—
 - (aa) at least one member of that couple is engaged in remunerative work

⁽¹⁾ S.I. 2002/2005.

for on average not less than 16 hours per week; and

- (bb) the applicant's applicable amount includes a family premium under paragraph 3 of Schedule 2; or
- (iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or
- (iv) is, or if the applicant has a partner, one of them is, engaged in remunerative work for on average not less than 16 hours per week and paragraph 5(1) above is satisfied in respect of that person.

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

- (a) any amount disregarded under this Schedule;
- (b) the amount of child care charges calculated as deductible under paragraph 54(1)(c) of this scheme (calculation of income on a weekly basis: pensioners and persons who are not pensioners); and
- (c) £17.10.

(4) The provisions of paragraph 10 (remunerative work) of this scheme are to apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in sub-paragraph (1) of that paragraph was a reference to 30 hours.

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

SCHEDULE 5

Amounts to be disregarded in the calculation of income other than earnings: pensioners

1. In addition to any sum which falls to be disregarded in accordance with paragraphs 2 to 6 of this Schedule, £10 of any of the following—

- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 2 or 3 of this Schedule);
- (b) a war widow's pension or war widower's pension;
- (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than

under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;

- (d) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within Article 39(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011⁽¹⁾, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;
- (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
- (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
- (g) a pension paid 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.

2. The whole of any amount included in a pension to which paragraph 1 relates in respect of—

- (a) the applicant's need for constant attendance;
- (b) the applicant's exceptionally severe disablement.

3. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006⁽²⁾ (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983⁽³⁾ or any payment intended to compensate for the non-payment of such a supplement.

4. 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

⁽¹⁾ S.I. 2011/517.

⁽²⁾ S.I. 2006/606.

⁽³⁾ S.I. 1983/686.

Defence to any person who is not a person entitled under that Order.

5. In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to surviving spouses and surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

6.—(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 31 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” (“*yr Offerynnau Dosbarthu*”) means the Order in Council of 19 December 1881, the Royal Warrant of 27 October 1884 and the Order by His Majesty of 14 January 1922 (exceptional grants of pay, non-effective pay and allowances).

7. £15 of any widowed parent’s allowance to which the applicant is entitled under section 39A of the SSCBA.

8. £15 of any widowed mother’s allowance to which the applicant is entitled under section 37 of the SSCBA.

9. Where the applicant occupies a dwelling as the applicant’s home and the applicant provides in that dwelling board and lodging accommodation, an amount, in respect of each person for whom such accommodation is provided for the whole or any part of a week, equal to—

- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20, 100 per cent of such payments; or
- (b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent of the excess over £20.

10. If the applicant—

- (a) owns the freehold or leasehold interest in any property or is a tenant of any property; and
- (b) occupies a part of that property; and
- (c) has an agreement with another person allowing that person to occupy another part of that property on payment of rent and—
 - (i) the amount paid by that person is less than £20 per week, the whole of that amount; or
 - (ii) the amount paid is £20 or more per week, £20.

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

- (a) that the loan was made as part of a scheme under which not less than 90 per cent of the proceeds of the loan were applied to the purchase by the person to whom it was made of an annuity ending with that person's life or with the life of the survivor of two or more persons (in this paragraph referred to as "the annuitants") who include the person to whom the loan was made;
- (b) that at the time the loan was made the person to whom it was made or each of the annuitants had attained the age of 65;
- (c) that the loan was secured on a dwelling in Great Britain and the person to whom the loan was made or one of the annuitants owns an estate or interest in that dwelling;
- (d) that the person to whom the loan was made or one of the annuitants occupies the dwelling on which it was secured as that person's or annuitant's home at the time the interest is paid; and
- (e) that the interest payable on the loan is paid by the person to whom the loan was made or by one of the annuitants;

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

- (i) where, or insofar as, section 369 of the Income and Corporation Taxes Act 1988⁽¹⁾ (mortgage interest payable under deduction of tax) applies to the payments of interest on the loan, the interest which is payable after deduction of a sum equal to income tax on such payments at the applicable percentage of income tax

(1) 1988 c.1.

within the meaning of section 369(1A) of that Act;

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

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

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

- (a) obtaining food, ordinary clothing or footwear or household fuel;
- (b) the payment of rent, council tax or water charges for which that applicant or the applicant's partner is liable;
- (c) meeting housing costs of a kind specified in Schedule 2 to the State Pension Credit Regulations 2002⁽¹⁾.

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

- (a) if the payment is less than £20, the whole payment;
- (b) if, in the applicant's case, £10 is disregarded in accordance with paragraph 1(a) to (g) of this Schedule, £10 or the whole payment if it is less than £10; or
- (c) if, in the applicant's case, £15 is disregarded under paragraph 7 or paragraph 8 of this Schedule and—
 - (i) the applicant has no disregard under paragraph 1(a) to (g) of this Schedule, £5 or the whole payment if it is less than £5;
 - (ii) the applicant has a disregard under paragraph 1(a) to (g) of this Schedule, nil.

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

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

⁽¹⁾ S.I. 2002/1492.

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

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

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

18. Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating—

- (a) under, or pursuant to regulations made under powers conferred by section 22 of the Teaching and Higher Education Act 1998⁽¹⁾, that student's award;
- (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980⁽²⁾, 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.

19.—(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,

(1) 1998 c.30.

(2) 1980 c.37.

and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 18, 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 is to be equal to—

- (a) the weekly amount of the payments; or
- (b) 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.

(3) In this paragraph and paragraph 18 a reference to a "student loan" ("*benthyciad myfyriwr*") or a "grant" ("*grant*") is a reference to a student loan or a grant within the meaning of Part 10 of this scheme.

20.—(1) Where an applicant's applicable amount includes an amount by way of a family premium, £15 of any payment of maintenance, whether under a court order or not, which is made or due to be made by the applicant's spouse, civil partner, former spouse or former civil partner or the applicant's partner's spouse, civil partner, former spouse, or former civil partner.

(2) For the purposes of sub-paragraph (1), where more than one maintenance payment falls to be taken into account in any week, all such payments are to be aggregated and treated as if they were a single payment.

21. Except in a case which falls under paragraph 10 of Schedule 4, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10.

22. Where the total value of any capital specified in Part 2 (capital disregarded only for the purposes of determining deemed income) of Schedule 8 does not exceed £10,000, any income actually derived from such capital.

23. Except in the case of income from capital specified in Part 2 of Schedule 8, any actual income from capital.

24. Where the applicant, or the person who was the partner of the applicant on 31 March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5 April 2003 by virtue only of regulation 13 of the Housing Benefit (General)

Amendment (No 3) Regulations 1999⁽¹⁾ as in force at that date, the whole of the applicant's income.

⁽¹⁾ S.I. 1999/2734.

SCHEDULE 6

Sums disregarded in the calculation of earnings: persons who are not pensioners

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 the applicant is entitled to a retirement pension under the SSCBA, or is not so entitled solely because of the applicant's failure to satisfy the contribution conditions,

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 48(1)(e) of this scheme, or

(bb) section 28, 64 or 68 of the Employment Rights Act 1996⁽¹⁾ (guarantee payments, suspension from work on medical or maternity grounds); and

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

(aa) paragraph 48(1)(g) or (i) of this scheme, 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;

(1) 1996 c.18.

(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)(i) or (ii)(bb) of this Schedule or paragraph 48(1)(j) of this scheme.

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

(b) 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 48(1)(j) of this scheme.

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 the applicant's employment, any earnings derived from that employment except earnings to which paragraph 50(3) and (4) of this Scheme (earnings of self-employed earners: persons who are not pensioners) apply.

4.—(1) In a case to which this paragraph applies and paragraph 5 does not apply, £20; but notwithstanding paragraph 30 of this scheme (calculation of income and capital: applicant's family and polygamous marriages) if this paragraph applies to an applicant it is not to apply to the applicant's partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £20.

(2) This paragraph applies where the applicant's applicable amount includes an amount by way of

the disability premium, severe disability premium, work-related activity component or support component under Schedule 3 (applicable amounts: persons who are not pensioners).

(3) This paragraph applies where—

- (a) the applicant is a member of a couple and the applicant's applicable amount includes an amount by way of the disability premium under Schedule 3; and
- (b) the applicant or the applicant's partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.

5. In a case where the applicant is a lone parent, £25.

6.—(1) In a case to which neither paragraph 4 nor paragraph 5 of this Schedule applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium under Schedule 3 (applicable amounts: persons who are not pensioners), £20 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with paragraph 14(2) of that Schedule as being in receipt of carer's allowance.

(2) Where the carer premium is awarded in respect of the applicant and of any partner of the applicant's, their earnings are for the purposes of this paragraph to be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) is not to exceed £20 of the aggregated amount.

7. Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £20, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment—

- (a) specified in paragraph 9(1) of this Schedule, so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 6 of this Schedule exceed £20;
- (b) other than one specified in paragraph 9(1) of this Schedule, so much of the other member's earnings from such other employment up to £10 as would not when aggregated with the amount disregarded under paragraph 5 exceed £20.

8. In a case where paragraphs 4, 6, 7 and 9 of this Schedule do not apply to the applicant and the applicant is one of a couple and a member of that couple is in employment, £10; but, notwithstanding paragraph 30 of this scheme (calculation of income and capital: applicant's family and polygamous

marriages), if this paragraph applies to an applicant it is not to apply to the applicant's partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £10.

9.—(1) In a case where paragraphs 4, 6, 7 and 9 of this Schedule do not apply to the applicant, £20 of earnings derived from one or more employments as—

- (a) a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004⁽¹⁾ or a scheme to which section 4 of that Act applies;
- (b) a part-time fire-fighter employed by the Scottish Fire and Rescue Service⁽²⁾;
- (c) an auxiliary coastguard in respect of coast rescue activities;
- (d) a person engaged part-time in the manning or launching of a life boat;
- (e) a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001⁽³⁾;

but, notwithstanding paragraph 30 of this scheme (calculation of income and capital: applicant's family and polygamous marriages), if this paragraph applies to an applicant it is not to apply to that applicant's partner except to the extent specified in sub-paragraph (2).

(2) If the applicant's partner is engaged in employment—

- (a) specified in sub-paragraph (1), so much of the applicant's partner's earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £20;
- (b) other than one specified in sub-paragraph (1), so much of the applicant's partner's earnings from that employment up to £10 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £20.

10. Where the applicant is engaged in one or more employments specified in paragraph 9(1) of this Schedule, but the applicant's earnings derived from such employments are less than £20 in any week and the applicant is also engaged in any other employment,

(1) 2004 c.21.

(2) Section 1A of the Fire (Scotland) Act 2005 (asp 5) refers. Section 1A was inserted by section 101 of the Police and Fire Reform (Scotland) Act 2012 (asp 8).

(3) S.I. 2001/1004.

so much of the applicant's earnings from that other employment, up to £5 if the applicant is a single applicant, or up to £10 if the applicant has a partner, as would not in aggregate with the amount of the applicant's earnings disregarded under paragraph 9 exceed £20.

11. In a case to which none of the paragraphs 4 to 10 of this Schedule applies, £5.

12.—(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 14 of this Schedule does not apply,

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

(2) Where this paragraph applies, paragraphs 4 to 11 of this Schedule do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 5, of this Schedule then paragraph 5 applies instead of this paragraph.

(3) Notwithstanding paragraph 30 of this scheme (calculation of income and capital: applicant's family and polygamous marriages), if sub-paragraph (1) applies to one member of a couple ("A") it is not to 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 is also to be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.

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

- (a) in receipt of a contributory employment and support allowance;
- (b) in receipt of incapacity benefit;
- (c) in receipt of severe disablement allowance; 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” (“*gwaith esempt*”) means work of the kind described in—

- (a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008⁽¹⁾; or (as the case may be)
- (b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995⁽²⁾,

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 that person’s 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).

13. Any amount or the balance of any amount which would fall to be disregarded under paragraph 23 or 24 of Schedule 7 had the applicant’s income which does not consist of earnings been sufficient to entitle the applicant to the full disregard thereunder.

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

15. 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.

16. 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.

17. Any earnings of a child or young person.

18.—(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and the applicant’s net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of the applicant’s earnings

(1) S.I. 2008/794.

(2) S.I. 1995/311.

that falls to be disregarded under paragraphs 4 to 12 of this Schedule is to be increased by £17.10.

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

- (a) the applicant, or if the applicant is a member of a couple, either the applicant or the applicant's partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002⁽¹⁾ applies; or
- (b) the applicant—
 - (i) is, or if the applicant is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or
 - (ii) is a member of a couple and—
 - (aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and
 - (bb) the applicant's applicable amount includes a family premium under paragraph 4 of Schedule 3; or
 - (iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or
 - (iv) is, or if the applicant is a member of a couple, at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and—
 - (aa) the applicant's applicable amount includes a disability premium under paragraph 9, the work related activity component under paragraph 21 or the support component under paragraph 22 of Schedule 3 respectively;
 - (bb) where the applicant is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or either of the components referred to in paragraph (aa) above and is engaged in remunerative work for on average not less than 16 hours per week.

⁽¹⁾ S.I. 2002/2005.

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

- (a) the amount calculated as disregardable from the applicant's earnings under paragraphs 4 to 12 of this Schedule;
- (b) the amount of child care charges calculated as deductible under paragraph 54(1)(c) of this scheme (calculation of income on a weekly basis: persons who are not pensioners); and
- (c) £17.10.

(4) The provisions of paragraph 10 (remunerative work) of this scheme are to apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in sub-paragraph (1) of that paragraph were a reference to 30 hours.

19. In this Schedule “part-time employment” (“*cyflogaeth ran-amser*”) means employment in which the person is engaged on average for less than 16 hours a week.

SCHEDULE 7

Sums disregarded in the calculation of income other than earnings: persons who are not pensioners

1. Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by the applicant in respect of the applicant's 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 the applicant in respect of the applicant's participation in the Mandatory Work Activity Scheme.

3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by the applicant in respect of the applicant's 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 51 of this scheme (calculation of income other than earnings: persons who are not pensioners).

5. Any payment in respect of any expenses incurred or to be incurred by an applicant who is—

- (a) engaged by a charitable or voluntary organisation, or

(b) a volunteer,

if that applicant otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under paragraph 53(5) of this scheme (notional income: persons who are not pensioners).

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 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. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of the applicant's income.

9. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and the applicant's partner is on an income-based jobseeker's allowance, the whole of the applicant's income.

10. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5 April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No 3) Regulations 1999⁽¹⁾ as in force at that date, the whole of the applicant's income.

11. Any disability living allowance, personal independence payment or AFIP.

12. Any concessionary payment made to compensate for the non-payment of—

- (a) any payment specified in paragraph 11 or 14 of this Schedule;
- (b) income support;
- (c) an income-based jobseeker's allowance;
- (d) an income-related employment and support allowance.

13. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006⁽²⁾ (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983⁽³⁾ or any payment intended

⁽¹⁾ S.I. 1999/2734.

⁽²⁾ S.I. 2006/206.

⁽³⁾ S.I. 1983/686.

to compensate for the non-payment of such a supplement.

14. Any attendance allowance.

15. 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⁽¹⁾ (payment of school expenses; grant of scholarships etc);
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980⁽²⁾ (power to assist persons to take advantage of educational facilities);
 - (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⁽³⁾;
- (b) corresponding to such an education maintenance allowance, made pursuant to—
 - (i) section 14 or section 181 of the Education Act 2002⁽⁴⁾ (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 and Wales, 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

(1) 1996 c.56.

(2) 1980 c.44.

(3) 1992 c.37.

(4) 2002 c.32.

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 2003⁽¹⁾.

18.—(1) Any payment made pursuant to section 2 of the Employment and Training Act 1973⁽²⁾ or section 2 of the Enterprise and New Towns (Scotland) Act 1990⁽³⁾ 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 the applicant enhance the applicant's employment prospects unless the payment is a Career Development Loan paid pursuant 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 the applicant's 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 voluntary payment;

(1) S.I. 2003/1917.
(2) 1973 c.50.
(3) 1990 c.35.

- (c) a payment (not falling within paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
- (d) 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

- (e) a payment (not falling within paragraphs (a) to (d)) 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) is not to 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. Subject to paragraph 40 of this Schedule, £10 of any of the following, namely—

- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 13 or 14 of this Schedule);
- (b) a war widow's pension or war widower's pension;
- (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
- (d) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 39(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011⁽¹⁾, so much of that pension or payment as would not, in aggregate with the amount of any

⁽¹⁾ S.I. 2011/517.

guaranteed income payment disregarded, exceed £10;

- (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
- (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in paragraphs (a) to (d) above;
- (g) 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 of this Schedule, £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 67 of this scheme (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 9.

(2) Income derived from capital disregarded under paragraphs 5, 7 or 30 to 33 of Schedule 9 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” (“*taliadau dŵr*”) in paragraph 2(1) of this scheme 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 that person's 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 section 22 of the Teaching and Higher Education Act 1998⁽¹⁾, that student's award;
- (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980⁽²⁾, 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 of this Schedule, 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 is to be equal to—

- (a) the weekly amount of the payments; or
- (b) 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.

(1) 1988 c.30.
(2) 1980 c.44.

26. Where the applicant occupies a dwelling as the applicant's home and the dwelling is also occupied by a person other than one to whom paragraph 25 or 27 of this Schedule 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 that person's family—

- (a) 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 that person's family, or by that person and a member of that person's 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.

27. Where the applicant occupies a dwelling as the applicant's home and the applicant 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 per cent 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 paragraph 51(10)(b) of this scheme (provision of support under section 95 or 98 of the Immigration and Asylum Act 1999⁽¹⁾) in the calculation of income other than earnings) applies.

(2) The reference in sub-paragraph (1) to "income in kind" (*"incwm mewn nwyddau neu wasanaethau"*) 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 the applicant's family—

- (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and

(1) 1999 c.33.

Children Act 2002⁽¹⁾ or in accordance with a scheme approved by the Scottish Ministers under section 71 of the Adoption and Children (Scotland) Act 2007⁽²⁾ (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⁽³⁾ (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⁽⁴⁾ (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⁽⁵⁾, 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⁽⁶⁾ (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⁽⁷⁾ (fostering and kinship care allowances and fostering allowances); or

(1) 2002 c.38.
(2) 2007 asp 4.
(3) 1989 c.41.
(4) 1975 c.72.
(5) S.I. 1995/755.
(6) 1995 c.36.
(7) S.I. 2009/210.

- (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 the applicant's partner for a person ("the person concerned"), who is not normally a member of the applicant's household but is temporarily in the applicant's 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⁽¹⁾;
- (e) a primary care trust established under section 16A of the National Health Service Act 1977⁽²⁾ or established by an order made under section 18 of the National Health Service Act 2006⁽³⁾; or
- (f) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006⁽⁴⁾.

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

(1) 1948 c.29.
 (2) 1977 c.49.
 (3) 2006 c.41.
 (4) 2006 c.42.

against the risk of being unable to maintain repayments—

- (a) on a loan which is secured on the dwelling which the applicant occupies as the applicant's home; or
- (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974⁽¹⁾ 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⁾.

(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 the applicant's 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 61 of this scheme (income treated as capital: persons who are not pensioners) 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 the applicant is a member of a family, the family's income and the income of any person which that applicant is

(1) 1974 c.39.
(2) 1964 c.53.

treated as possessing under paragraph 30(3) (calculation of income and capital: applicant's family and polygamous marriages) to be disregarded under paragraph 74(2)(b) and paragraph 75(1)(d) of this scheme (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 78(2) of this scheme (treatment of student loans), paragraph 78(3) of this scheme (treatment of payments from access funds) and paragraphs 20 and 21 of this Schedule is in no case to 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 that person is not, or where that person has died was not, estranged or divorced or with whom that person 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 that person is not estranged or divorced or with whom that person 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 full-time education and has no parent or step-parent, to the child or young person's parent or that student's 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 that person's death (the relevant date) had no partner or former partner from whom that person was not estranged or divorced or with whom that person has formed a civil partnership that has not been dissolved, nor any child or young person who was 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 relevant date was a child, a young person or a student who had not completed full-time education and had no parent or step-parent, to that child or young person's parent or that student's 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 is to 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 13A(1)(c) 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⁽¹⁾ (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⁽²⁾ (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⁽³⁾ (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

(1) S.I. 2003/2382.

(2) S.I. 2007/1104 (W.116).

(3) S.I. 2003/460.

scheme made pursuant to section 13 of the Social Security Act 1988⁽¹⁾ 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 an applicant's applicable amount includes an amount by way of family premium, £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 are to be aggregated and treated as if they were a single payment.

(3) A payment made by the Secretary of State in lieu of maintenance is, for the purpose of sub-paragraph (1), to be treated as a payment of maintenance made by a person specified in sub-paragraph (1).

50.—(1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect 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.

(2) In sub-paragraph (1)—

“child maintenance” (*“cynhالياeth plant”*) 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⁽²⁾;
- (b) the Child Support (Northern Ireland) Order 1991⁽³⁾;
- (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” (*“perthynas atebol”*) means a person listed in regulation 54 (interpretation) of the

(1) 1988 c.7.
(2) 1991 c.48.
(3) S.I. 1991/2628.

Income Support (General) Regulations 1987⁽¹⁾, 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⁽²⁾ 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 dependant 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⁽³⁾, any increase in the rate of that pension or allowance under that Order, where the dependant 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⁽⁴⁾ (pensions to surviving spouses and surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

56.—(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 31 March 1973; and

(1) S.I. 1987/1967.
(2) 1944 c.10.
(3) S.I. 2006/606.
(4) S.I. 1983/686.

- (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” (“*yr Offerynnau Dosbarthu*”) means the Order in Council of 19 December 1881, the Royal Warrant of 27 October 1884 and the Order by His Majesty of 14 January 1922 (exceptional grants of pay, non-effective pay and allowances).

57. Any reduction under this scheme to which the applicant is entitled.

58. Except in a case which falls under sub-paragraph (1) of paragraph 18 of Schedule 6, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10.

59. Any payment made under section 12B of the Social Work (Scotland) Act 1968⁽¹⁾, 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⁽²⁾ (direct payments).

60.—(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) is to apply only in respect of payments which are paid to that person from the special account.

61.—(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 the applicant’s family, or any

(1) 1968 c.49.
(2) 2001 c.15

council tax or water charges for which that applicant or member is liable.

(3) For the purposes of sub-paragraph (2) “food” (“*bwyd*”) 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.

62. 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 that person, less 50p, that excess amount.

63. 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.

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

65. Any payment made by a local authority or by the Welsh Ministers, to or on behalf of the applicant or the applicant’s partner relating to a service which is provided to develop or sustain the capacity of the applicant or the applicant’s partner to live independently in the applicant’s accommodation.

66. Any payment of child benefit.

SCHEDULE 8

Capital disregards: pensioners

PART 1

Capital to be disregarded

1. Any premises acquired for occupation by the applicant which the applicant intends to occupy as the applicant’s 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.

2. Any premises which the applicant intends to occupy as the applicant’s home, and in respect of which the applicant 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 the applicant first sought such advice or first commenced

⁽¹⁾ S.I. 2001/1167.

such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of those premises.

3. Any premises which the applicant intends to occupy as the applicant's home to which essential repairs or alterations are required in order to render the premises 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.

4. Any premises occupied in whole or in part—

- (a) by a person who is a relative of the applicant or the applicant's partner as that person's 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 that person's home; but this provision is not to apply where the former partner is a person from whom the applicant is estranged or divorced or with whom the applicant had formed a civil partnership that has been dissolved.

5. 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.

6. Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following the applicant's estrangement or divorce from the applicant's former partner or the dissolution of a civil partnership with the applicant's former partner, that dwelling for a period of 26 weeks from the date on which the applicant 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.

7. Any premises where the applicant is taking reasonable steps to dispose of the whole of the applicant's interest in those premises, for a period of 26 weeks from the date on which the applicant first took such steps, or such longer period as is reasonable in the circumstances to enable the applicant to dispose of those premises.

8. All personal possessions.

9. The assets of any business owned in whole or in part by the applicant and for the purposes of which the applicant is engaged as a self-employed earner or, if the applicant has ceased to be so engaged, for such

period as may be reasonable in the circumstances to allow for disposal of those assets.

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

- (a) the applicant is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
- (b) the applicant intends to become engaged (or, as the case may be, re-engaged) as a self-employed earner in that business as soon as the applicant 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, if it is unreasonable to expect the applicant to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable the applicant to become so engaged or re-engaged.

11. The surrender value of any policy of life insurance.

12. The value of any funeral plan contract; and for this purpose, “funeral plan contract” (“*contract cynllun angladd*”) means a contract under which—

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

13. Where an ex-gratia payment has been made by the Secretary of State on or after 1 February 2001 in consequence of the imprisonment or internment of—

- (a) the applicant;
- (b) the applicant’s partner;
- (c) the applicant’s deceased spouse or deceased civil partner; or
- (d) the applicant’s partner’s deceased spouse or deceased civil partner,

by the Japanese during the Second World War, an amount equal to that payment.

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

- (a) a diagnosed person;

- (b) a diagnosed person's partner or was a diagnosed person's partner at the time of the diagnosed person's death; or
- (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death.

(2) Where a trust payment is made to—

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

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

- (a) the diagnosed person;
- (b) a diagnosed person's partner or was a diagnosed person's partner at the date of the diagnosed person's death; or
- (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death.

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

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

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

- (a) being the diagnosed person's partner;
- (b) acting in place of the diagnosed person's parents,

at the date of the diagnosed person's death is to include a person who would have been such a person or a person who would have been so acting, but for the

diagnosed person residing in a care home or an independent hospital.

(6) In this paragraph—

“diagnosed person” (“*person â diagnosis*”) means a person who has been diagnosed as suffering from, or who, after that person’s death, has been diagnosed as having suffered from, variant Creutzfeldt-Jakob disease;

“relevant trust” (“*ymddiriedolaeth berthnasol*”) means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeldt-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

“trust payment” (“*taliad ymddiriedolaeth*”) means a payment under a relevant trust.

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

- (a) was a slave labourer or a forced labourer;
- (b) had suffered property loss or had suffered personal injury; or
- (c) was a parent of a child who had died,

during the Second World War.

16.—(1) Any payment made under or by—

- (a) the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, or the London Bombings Relief Charitable Fund (collectively referred to in this paragraph as “the Trusts”); or
- (b) 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 and which is made to or for the benefit of that person’s partner or former partner—

- (a) from whom that person is not, or where that person has died was not, estranged or divorced; or
- (b) with whom that person has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person’s death.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a

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

(4) Sub-paragraph (3) does not apply if—

- (a) the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced; or
- (b) where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death.

(5) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts, where—

- (a) that person has no partner or former partner from whom that person is not estranged or divorced or with whom that person has formed a civil partnership that has not been dissolved, nor any child who is or had been a member of that person's household; and
- (b) the payment is made either—
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the date of the payment is a child or a student who has not completed full-time education and has no parent or step-parent, to any person standing in the place of that child or young person's parent or that student's parent,

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

(6) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts, where—

- (a) that person at the date of that person's death ("the relevant date") had no partner or former partner from whom that person was not estranged or divorced or with whom that person had formed a civil partnership that had not been dissolved, nor any child who was or had been a member of that person's household; and
- (b) the payment is made either—
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the relevant date was a child or a student who had not

completed full-time education and had no parent or step-parent, to any person standing in place of that child or young person's parent or that student's parent, but only for a period of two years from the relevant date.

(7) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

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

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

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

the whole of the amount so administered.

18. Any amount specified in paragraph 19, 20, 21 or 25 of this Schedule for a period of one year beginning with the date of receipt.

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

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

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

(1) S.I. 1998/3132.

21.—(1) Subject to paragraph 22 of this Schedule any amount paid—

- (a) by way of arrears of benefit;
- (b) by way of compensation for the late payment of benefit;
- (c) in lieu of the payment of benefit;
- (d) to rectify, or compensate for, an official error, as defined for the purposes of paragraph 22, being an amount to which that paragraph does not apply;
- (e) by a local authority out of funds provided under either section 93 of the Local Government Act 2000⁽¹⁾ under a scheme known as “Supporting People” or section 91 of the Housing (Scotland) Act 2001⁽²⁾.

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

- (a) attendance allowance under section 64 of the SSCBA;
- (b) disability living allowance;
- (c) personal independence payment;
- (d) an AFIP;
- (e) income support;
- (f) income-based jobseeker’s allowance;
- (g) state pension credit;
- (h) housing benefit;
- (i) council tax benefit;
- (j) child tax credit;
- (k) an increase of a disablement pension under section 104 of the SSCBA (increase where constant attendance is needed), and any further increase of such a pension under section 105 of the SSCBA (increase for exceptionally severe disablement);
- (l) any amount included on account of the applicant’s exceptionally severe disablement or need for constant attendance in a war disablement pension or a war widow’s or widower’s pension;
- (m) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001⁽³⁾;
- (n) working tax credit; or
- (o) income-related employment and support allowance.

(1) 2000 c.22.

(2) 2001 asp 10.

(3) S.I. 2001/1167.

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

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

- (a) paragraph 7(2) of Schedule 10 to the Income Support (General) Regulations 1987⁽¹⁾;
- (b) paragraph 12(2) of Schedule 8 to the Jobseeker's Allowance Regulations 1996⁽²⁾;
- (c) paragraph 9(2) of Schedule 5 to the Council Tax Benefit Regulations 2006⁽³⁾;
- (d) paragraph 20A of Schedule 5 to the State Pension Credit Regulations 2002⁽⁴⁾,
- (e) paragraph 11(2) of Schedule 9 to the Employment and Support Allowance Regulations 2008⁽⁵⁾,

where the award in respect of which the payments last fell to be disregarded under those Regulations either terminated immediately before the relevant date or is still in existence at that date.

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

(4) In this paragraph—

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

- (a) the award of a reduction under this scheme during which the relevant sum or, where it is paid in more than one instalment, the first instalment of that sum is received; and
- (b) where that award is followed by one or more further awards which, or each of which, begins immediately after the previous award ends, such further awards until the end of the last such award, provided that, for such further awards, the applicant—
 - (i) is the person who received the relevant sum;
 - (ii) is the partner of that person; or

(1) S.I. 1987/1967.
(2) S.I. 1996/207.
(3) S.I. 2006/215.
(4) S.I. 2002/1792.
(5) S.I. 2008/794.

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

“official error” (*“camgymeriad swyddogol”*)—

- (a) where the error relates to housing benefit, or council tax benefit (in respect of any period before 1 April 2013), has the meaning given by regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001⁽¹⁾; and
- (b) where the error relates to any other relevant benefit, has the meaning given by regulation 1(3) of the Social Security and Child Support (Decisions and Appeals) Regulations 1999;

“relevant benefit” (*“budd-dal perthnasol”*) means any benefit specified in paragraph 21(2);

“the relevant date” (*“y dyddiad perthnasol”*) means the date on which the application for a reduction under this scheme was made; and

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

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

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

25. Any arrears of supplementary pension which is disregarded under paragraph 4 of Schedule 5 (amounts to be disregarded in the calculation of income other than earnings: pensioners) or of any amount which is disregarded under paragraph 5 or 6 of that Schedule.

26. The dwelling occupied as the home; but only one dwelling is to be disregarded under this paragraph.

27. Where a person elects to be entitled to a lump sum under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005⁽²⁾, or is treated as having made such an election, and a payment has been made pursuant to that election, an amount equal to—

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

(1) S.I. 2001/1002.

(2) S.I. 2005/454.

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

28. Any payments made by virtue of regulations made under—

- (a) section 57 of the Health and Social Care Act 2001⁽¹⁾ (direct payments);
- (b) section 12B of the Social Work (Scotland) Act 1968⁽²⁾ (direct payments in respect of community care services);
- (c) sections 12A to 12C of the National Health Service Act 2006 (direct payments for health care);
- (d) Article 15 of the Health and Personal Social Services (Northern Ireland) Order 1972⁽³⁾; or
- (e) section 8 of the Carers and Direct Payments Act (Northern Ireland) 2002⁽⁴⁾ (direct payments).

PART 2

Capital disregarded only for the purposes of determining deemed income

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

30. 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.

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

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

- (a) a charitable trust within the meaning of the Charities Act 2011⁽⁵⁾; or
- (b) a trust set up with any payment to which paragraph 16 of this Schedule applies,

and under the terms of the trust, payments fall to be made, or the trustees have a discretion to make payments, to or for the benefit of the applicant or the applicant's partner, or both, that property.

(1) 2001 c.15.
(2) 1968 c.49.
(3) S.I. 1972/1265 (N.I. 14).
(4) 2002 c.6.
(5) 2011 c.25.

SCHEDULE 9

Capital disregards: persons who are not pensioners

1. Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by the applicant in respect of the applicant's participation in the Work for Your Benefit Pilot 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 the applicant in respect of the applicant's 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 the applicant in respect of the applicant's participation in the Employment, Skills and Enterprise Scheme 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 the applicant's home including any premises not so occupied which it is impracticable or unreasonable to sell separately, but, notwithstanding paragraph 30 of this scheme (calculation of income and capital: applicant's family and polygamous marriages), only one dwelling is to be disregarded under this paragraph.

5. Any premises acquired for occupation by the applicant which the applicant intends to occupy as the applicant's 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 the applicant's 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 that person's 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 that person's home; but this provision is

not to apply where the former partner is a person from whom the applicant is estranged or divorced or with whom the applicant had formed a civil partnership that has been dissolved.

8. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of the applicant's capital.

9. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and the applicant's partner is on income-based jobseeker's allowance, the whole of the applicant's capital.

10. 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 the applicant is engaged as a self-employed earner, or if the applicant 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) the applicant is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
- (b) the applicant intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as the applicant 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 the applicant to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable the applicant 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.

(4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in subparagraph (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 7;
- (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⁽¹⁾;
- (e) working tax credit and child tax credit;
- (f) an income-related employment and support allowance,

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⁽²⁾; and
- (b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) is to have 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” (“*cyfnod dyfarniad o ostyngiad o dan gynllun awdurdod*”) 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

(1) S.I. 2001/1167.

(2) S.I. 2001/1002.

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 that person's 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⁽¹⁾ 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 the applicant's 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 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

⁽¹⁾ 1985 c.69.

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 the applicant 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 the applicant's 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 15 of Schedule 6 or paragraph 29 of Schedule 7.

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⁽¹⁾ or, as the case may be, section 12 of the Social Work (Scotland) Act 1968⁽²⁾ or sections 22, 29 or 30 of the Children (Scotland) Act 1995⁽³⁾ (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

(1) 1989 c.41.

(2) 1968 c.49.

(3) 1995 c.36.

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⁽¹⁾ (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 paragraphs 52 or 78 of this scheme (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, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund.

(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 that person is not, or where that person has died was not, estranged or divorced or with whom that person 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

(1) 1988 c.1.

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 that person is not estranged or divorced or with whom that person 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 full-time education and has no parent or step-parent, to that child or young person's guardian or that student's 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 that person's death (the relevant date) had no partner or former partner from whom that person was not estranged or divorced or with whom that person had formed a civil partnership that had not been dissolved, nor any child or young person who was 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 relevant date was a child, a young person or a student who had not completed full-time education and had no parent or step-parent, to that child or young person's guardian or that student's 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 (7), any reference to the Trusts is to 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.

30.—(1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following the applicant's estrangement or divorce from, or dissolution of the applicant's civil partnership with, the applicant's former partner, that dwelling for a period of 26 weeks from the date on which the applicant 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" ("annedd") includes any garage, garden and outbuildings, which were formerly occupied by the applicant as the applicant's 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 the applicant first took such steps, or such longer period as is reasonable in the circumstances to enable the applicant to dispose of those premises.

32. Any premises which the applicant intends to occupy as the applicant's home, and in respect of which the applicant 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 the applicant 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 the applicant to obtain possession and commence occupation of those premises.

33. Any premises which the applicant intends to occupy as the applicant's 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⁽¹⁾ Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990⁽²⁾, 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 13 of the 1992 Act, (reduction of liability for council tax), but only for a

(1) 1973 c.50.

(2) 1990 c.35.

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⁽¹⁾ or section 66 of the Housing (Scotland) Act 1988⁽²⁾ 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 the applicant's home; or
- (b) to carry out repairs or alterations which are required to render premises fit for occupation as the applicant's home,

for a period of 26 weeks from the date on which the applicant 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 the applicant's home.

42. Any arrears of supplementary pension which is disregarded under paragraph 53 of Schedule 7 (sums disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 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⁽³⁾ (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⁽⁴⁾ (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⁽⁵⁾ (travelling expenses and health service supplies),

but only for a period of 52 weeks from the date of receipt of the payment or repayment.

(1) 1988 c.50.
(2) 1988 c.43.
(3) S.I. 2003/2382.
(4) S.I. 2007/1104 (W.116).
(5) S.I. 2003/460.

(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⁽¹⁾ 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 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.

46. 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⁽²⁾ to assist disabled persons to obtain or retain employment despite their disability.

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

48.—(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⁽⁴⁾ 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

(1) 1988 c.7.
(2) 1944 c.10.
(3) 1958 c.33.
(4) S.I. 1998/3132.

- (b) compensation for the death of one or both parents where the person concerned is under the age of 18.

49. 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 Act of Sederunt (Sheriff Court Ordinary Cause Rules) 1993⁽¹⁾ 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.

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

51. 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.

52.—(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 the applicant's 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" ("bwyd") 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.

53.—(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⁽²⁾;

(1) S.I. 1993/1956.
(2) 1996 c.56

- (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980⁽¹⁾;
- (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⁽²⁾;
- (b) corresponding to such an education maintenance allowance, made pursuant to—
 - (i) section 14 or section 181 of the Education Act 2002⁽³⁾ (power of Secretary of State and 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 and Wales, 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).

54. 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.

55. 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.

(1) 1980 c.44.
 (2) 1992 c.37.
 (3) 2002 c.32.

56. Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1 February 2001 in consequence of the imprisonment or interment 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.

57.—(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 that person's partner) or a person who was a member of the diagnosed person's family (other than that person's 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 is to apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
- (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph is to apply 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 is to apply 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 that person's partner) or a person who was a member of the diagnosed person's family (other than that person's 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 is to apply 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 is to apply 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 is to apply 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 is to include 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” (“*person â diagnosis*”) means a person who has been diagnosed as suffering from, or who, after that person's death, has been diagnosed as having suffered from, variant Creutzfeld-Jakob disease;

“relevant trust” (“*ymddiriedolaeth berthnasol*”) 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 Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

“trust payment” (“*taliad ymddiriedolaeth*”) means a payment under a relevant trust.

58. 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.

59. Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or the applicant's partner relating to a service which is provided to develop or sustain the capacity of the applicant or the applicant's partner to live independently in the applicant's accommodation.

60. Any payment made under regulations made under section 57 of the Health and Social Care Act 2001⁽¹⁾, or section 12B of the Social Work (Scotland) Act 1968⁽²⁾, or under sections 12A to 12D of the National Health Service Act 2006⁽³⁾ (direct payments for health care).

(1) 2001 c.15.
 (2) 1968 c.49.
 (3) 2006 c.41.

61. Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002⁽¹⁾.

62. Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

SCHEDULE 10

Matters to be included in a notification

PART 1

General

1. The statement of matters to be included in any notification issued by the authority in accordance with paragraph 115 of this scheme (notification of decision) are the matters set out in the following provisions of this Schedule.

2. Every notification must include a statement as to the right of any person affected by the decision to request a written statement under paragraph 115(5) of this scheme (requests for statement of reasons), and the manner and time in which to do so.

3. Every notification must include a statement as to the right of any person affected by the decision to appeal against the decision in accordance with paragraphs 8 and 10 of Schedule 1 to this scheme (procedure by which a person may make an appeal against certain decisions of the authority), and the manner and time in which to do so.

PART 2

Awards of reductions where state pension credit or extended payment (qualifying contributory benefits) is payable: pensioners

4.—(1) Where a pensioner who is in receipt of state pension credit is awarded a reduction under this scheme, the notification must include a statement as to—

- (a) the normal weekly amount of council tax the person would be liable to pay before any reduction is awarded under this scheme, rounded to the nearest penny;

⁽¹⁾ 2002 c.38.

- (b) the maximum weekly amount of reduction the person could be entitled to under this scheme, rounded to the nearest penny;
- (c) the normal weekly amount of reduction the authority has determined the person is entitled to under this scheme, rounded to the nearest penny;
- (d) the amount and category of any non-dependant deductions made under paragraph 30 (calculation of income and capital: applicant's family and polygamous marriages) of this scheme, if any; and
- (e) the first day that the person is entitled to a reduction under this scheme,

and in any case where the amount to which paragraphs (a) to (c) refers disregards fractions of a penny, the notice must include a statement to that effect.

(2) In a case where a pensioner who is in receipt of state pension credit has entitlement only to the savings credit, the notification must also set out the following matters—

- (a) the person's applicable amount and the basis of the calculation;
- (b) the amount of the savings credit taken into account;
- (c) the amount of the person's income and capital as notified to the authority by the Secretary of State and taken into account for the purposes of the determination of the reduction under this scheme;
- (d) any modification of the person's income or capital made in accordance with paragraph 33 of this scheme (calculation of pensioner's income in savings credit only cases); and
- (e) the amount of the person's capital if paragraph 33(4) applies in that person's case.

(3) Where a pensioner is entitled to an extended payment (qualifying contributory benefits) in accordance with paragraph 86 (extended reduction (qualifying contributory benefits): pensioners) of this scheme, the notification must include a statement as to the matters set out in paragraph 4(1).

PART 3

Awards of reductions where state pension credit not in payment: pensioners

5. Where a pensioner who is not in receipt of state pension credit is awarded a reduction under this

scheme, the notification must include a statement as to—

- (a) the matters set out in paragraph 4(1);
- (b) the pensioner's applicable amount and how it is calculated;
- (c) the pensioner's weekly earnings; and
- (d) the pensioner's income and other earnings.

PART 4

Notification where no award of a reduction is made: pensioners

6. Where a pensioner is not awarded a reduction under this scheme—

- (a) on the ground of income, the notification must include a statement as to—
 - (i) the matters set out in paragraph 4(1)(a), and
 - (ii) the matters set out in paragraph 5(b) to (d) where the pensioner is not on state pension credit;
- (b) for any other reason, the notification must include a statement as to the reason why no award has been made.

PART 5

Awards of reductions where income support, income-based jobseeker's allowance, income-related employment and support allowance, an extended payment or an extended payment (qualifying contributory benefits) is payable: persons who are not pensioners

7.—(1) Where a person who is not a pensioner and who is on income support, an income-based jobseeker's allowance, or an income-related employment and support allowance is awarded a reduction under this scheme, the notification must include a statement as to—

- (a) the normal weekly amount of council tax the person would be liable to pay before any reduction is awarded under this scheme, rounded to the nearest penny;
- (b) the maximum weekly amount of reduction the person could be entitled to under this scheme, rounded to the nearest penny;
- (c) the normal weekly amount of reduction the authority has determined the person is entitled to under this scheme, rounded to the nearest penny;

- (d) the amount and category of any non dependant deductions made under paragraph 30 (calculation of income and capital: applicant's family and polygamous marriages) of this scheme, if any; and
- (e) the first day that the person is entitled to a reduction under this scheme,

and in any case where the amount to which paragraphs (a) to (c) refers disregards fractions of a penny, the notice must include a statement to that effect.

(2) Where a person who is not a pensioner is entitled to an extended payment in accordance with paragraph 93 of this scheme (extended reductions: persons who are not pensioners), or an extended payment (qualifying contributory benefits) in accordance with paragraph 98 of this scheme (extended reductions (qualifying contributory benefits): persons who are not pensioners), the notification must include a statement as to the matters set out in paragraph 7(1).

PART 6

Awards of reduction where universal credit is payable: persons who are not pensioners

8. Where a person who is not a pensioner and who has an award of universal credit is awarded a reduction under this scheme, the notification must include a statement as to—

- (a) the matters set out in paragraph 7(1);
- (b) the person's applicable amount as determined in accordance with paragraph 26 of this scheme (applicable amount: persons who are not pensioners who have an award of universal credit); and
- (c) the person's income as determined in accordance with paragraph 34 of this scheme (calculation of income and capital: persons who are not pensioners who have an award of universal credit).

PART 7

Awards of reduction where no income support, income-based jobseeker's allowance, income-related employment and support allowance or universal credit is payable: persons who are not pensioners

9. Where a person who is not a pensioner and who is not on income support, income-based jobseeker's allowance, income-related employment and support

allowance or universal credit is awarded a reduction under this scheme, the notification must include a statement as to—

- (a) the matters set out in paragraph 7(1);
- (b) the person's applicable amount and how it is calculated;
- (c) the person's weekly earnings; and
- (d) the person's weekly income other than earnings.

PART 8

Notification where no award of a reduction is made: persons who are not pensioners

10. Where a person who is not a pensioner is not awarded a reduction under this scheme—

- (a) on the ground of income, the notification must include a statement as to—
 - (i) the matters set out in paragraph 7(a); and
 - (ii) the matters set out in paragraph 8(b) and (c) where the person is not on income support, an income-based jobseeker's allowance, an income-related employment and support allowance, or universal credit;
- (b) for any other reason, the notification must include a statement as to the reason why no award has been made.

PART 9

Notification where income of non-dependant is treated as applicant's income: pensioners and persons who are not pensioners

11. Where the authority makes a decision under paragraph 31 of this scheme (circumstances in which capital and income of non-dependant is to be treated as applicant's) the notification must contain a statement as to—

- (a) the fact that a decision has been made by reference to the income and capital of the applicant's non-dependant, and
- (b) the authority's reason for making that decision.

Explanatory Memorandum to the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013.

This Explanatory Memorandum has been prepared by the Local Government Finance & Performance Division and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013. I am satisfied that the benefits outweigh any costs.

Lesley Griffiths AM

Minister for Local Government & Government Business

4 November 2013

Description

1. This statutory instrument sets out the practical framework within which Council Tax Reduction Schemes will operate in Wales from 1 April 2014. The sunset clause in the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012 limits the application of the Council Tax Reduction Schemes currently operating in Wales, to the 2013-14 financial year.
2. The statutory instrument details the default scheme that will take effect if any local authority in Wales fails to adopt their own Council Tax Reduction Scheme, in accordance with the provisions in the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (the Prescribed Requirement Regulations), by 31 January 2014.
3. The effect of paragraph 6(1)(e) of Schedule 1B to the Local Government Finance Act 1992 (the 1992 Act) is that any default scheme prescribed in Regulations will only apply in the event that a Local Authority fails to comply with any duty set out in Regulations requiring Authorities to introduce Council Tax Reduction Schemes. The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013 therefore have practical effect only during the period of the applicability of the Prescribed Requirements regulations which imposes the duty to have a scheme, which by virtue of regulation 1(3) of those regulations is the financial year commencing 1 April 2014 and onwards.

Matters of special interest to the Constitutional and Legislative Affairs Committee

4. There are no matters of special interest to the Constitutional and Legislative Affairs Committee.

Legislative background

5. Section 10 of, and Schedule 4 to, the Local Government Finance Act 2012 (the 2012 Act) inserted a new Section 13A and new Schedule 1B into the 1992 Act. This provides Welsh Ministers with executive powers to introduce Council Tax Reduction Schemes in Wales, via Regulations.
6. The relevant provisions in the 2012 Act were subject to a Legislative Consent Motion which was approved by the National Assembly for Wales on 26 June 2012. The 2012 Act received Royal Assent on 1 November 2012.
7. This statutory instrument is being made under the new section 13A of, and new Schedule 1B to, the 1992 Act, to prescribe the 'default' Council Tax Reduction Scheme, which will take effect if Local Authorities do not adopt their own Schemes by 31 January 2014.
8. The instrument is subject to approval of the Assembly (the affirmative procedure).

Purpose and intended effect of the legislation

9. The Welfare Reform Act 2012 contained provisions to abolish Council Tax Benefit from 31 March 2013. From this date the responsibility to provide support for council tax and the funding associated with it, was passed to Local Authorities in England, to the Scottish Government and to the Welsh Government
10. To ensure a single National Framework Scheme was introduced to provide a consistent level of support across Wales, provisions were sought in the 2012 Act to provide Welsh Ministers with executive powers to introduce Council Tax Reduction Schemes in Wales.
11. In line with the provisions in the 2012 Act, two main sets of Regulations govern the current operation of Council Tax Reduction Schemes in Wales::
 - The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012: and
 - The Council Tax Reduction Scheme (Default Scheme) (Wales) Regulations 2012.

These Regulations (the 2012 Regulations) were designed to ensure that all Local Authorities introduced some form of Council Tax support in 2013-14

12. In agreement with opposition parties a sunset clause was included within the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012, limiting the application of the Council Tax Reduction Schemes adopted by Local Authorities to the 2013-14 financial year.
13. As a result new Regulations are being brought forward which will govern the operation of Council Tax Reduction Schemes in Wales from 1 April 2014 (the 2013 Regulations). Subject to the approval of the National Assembly for Wales:
 - One set of Regulations will place a duty upon Local Authorities to introduce Council Tax Reduction Schemes in their areas which are to apply from 1 April 2014. These Regulations will also prescribe the requirements which must be included within the local schemes introduced by the individual Local Authorities in Wales, and will specify a number of areas of local discretion ('the prescribed requirements Regulations'); and
 - The other set of Regulations will prescribe the 'default' Council Tax Reduction Scheme, which will take effect if Local Authorities do not adopt their own schemes (the Default Scheme Regulations).
14. This statutory instrument relates to the Regulations setting out the default scheme that will take effect in relation to the dwellings situated in a Local Authority's area if the Authority fails to make a Scheme by 31 January 2014.

15. The approach adopted to the 2012 Regulations has been continued in the 2013 Regulations with a national framework of support being retained and the levels of entitlement for eligible applicants being protected at their current levels. However, where feasible, within the timing and legal constraints, and where proposed amendments are in line with wider Welsh Government policy objectives, additional changes have been made to:

- Remove the sunset clause from the Prescribed Requirements Regulations. This has the effect of extending the application of the 2013 Regulations beyond the 2014-15 financial year;
- Address minor technical amendments suggested by the Constitutional and Legislative Affairs Committee (CLAC) and by the Joint Committee of Statutory Instruments in relation to similar provisions brought forward in Regulations which apply in relation to England;
- Incorporate amendments required for certain Welfare Reform changes, for example Universal Credit and Armed Forces Independence Payment;
- Make further simplifications to improve the process for applicants and, where possible, to reduce the costs of administration;
- Consider any practical adjustments needed, based on Local Authorities' experience of operating the Council Tax Reduction Schemes since April 2011, for example, amending provisions in relation to changes of circumstances; and
- Respond to points raised as a result of the technical consultation on the draft Regulations.

16. As with the 2012 Regulations, the approach to calculating council tax reductions under the 2013 Regulations reflects the approach that was taken to calculating Council Tax Benefit and which was set out in SI 2006/215 (the Council Tax Benefit Regulations 2006) and SI 2006/216 (the Council Tax Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006).

17. As stated above, the Default Scheme Regulations set out the scheme that will apply in a Local Authority's area, should that authority fail to adopt its own scheme in accordance with the Prescribed Requirements Regulations. The majority of the provisions within the Default Scheme Regulations mirror those required by the Prescribed Requirements Regulations. In particular they provide for the following:

Definitions of key words and phrases

The procedure for reduction applications and appeals

18. The Default Scheme Regulations allow an application to be made in writing, by means of electronic communications, or where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

19. Minor amendments have been made to provisions in the previous default scheme relating to applications to allow Local Authorities to receive

information "in writing" otherwise than by way of an approved form, in order to improve administrative processes for Local Authorities'. However, in accepting an application it will be for Local Authorities to ensure they are acting in accordance with the Department for Work and Pension's data-sharing gateways DWP's and to guarantee they have appropriate mechanisms in place to deal with fraud and error relating to information provided by an applicant.

20. These Regulations also set out the procedure by which a person may make an appeal against the decisions of the Authority under the default scheme. An applicant is required to request that the Authority reconsiders its decision, within one month of having been notified of a decision in relation to a reduction. This time-limit was not included in the 2012 Regulations but is an operational improvement suggested by Local Government practitioners and it is similar to the time limit which exists for Housing Benefit appeals.
21. The Regulations also provide for persons who are still aggrieved by the decision of a Local Authority in relation to a reduction under the default scheme, or who have not received a response from the Authority within two months of an appeal being made, to appeal to the Valuation Tribunal Wales.
22. The Regulations also set out the procedure by which a person can apply to an Authority for a discretionary reduction under section 13A(1)(c) of the 1992 Act.

The classes of person who are entitled to a reduction under the default scheme

23. There will be four classes of person entitled to a reduction under the default scheme:
 - Class A: Pensioners whose income is less than the applicable amount.
 - Class B: Pensioners whose income is greater than the applicable amount.
 - Class C: Persons who are not pensioners whose income is less than the applicable amount.
 - Class D: Persons who are not pensioners whose income is greater than the applicable amount.
24. The applicable amount is the amount that the Government says that an applicant and their family need to live on each week. The components that make up the applicable amount are detailed in paragraphs 23 (pensioners) and 24 (persons who are not pensioners) of the default scheme.

The classes of person who are excluded from the default scheme

25. The Default Scheme Regulations apply the same restrictions that existed under the Council Tax Benefit system to exclude foreign nationals with limited

immigration status and non-economically active EEA individuals who are not exercising EU treaty rights from receiving council tax reductions.

26. However, the Regulations allow the established practice of enabling those who have recognised refugee status, humanitarian protection, discretionary leave or exceptional leave to remain granted outside the immigration rules and who are exempt from the Habitual Residence Test, to be entitled to apply for a council tax reduction, provided that their status has not been revoked.
27. The Regulations also replicate the existing provisions from the former Council Tax Benefit system in relation to other classes of person that are to be excluded from entitlement to a reduction under the default scheme, namely: persons treated as not being in Great Britain, persons subject to immigration control and students.
28. The Regulations in relation to persons who are to be treated as being in Great Britain are also replicate the former Council Tax Benefit system in this regard.
29. Several amendments have been made to update the 2012 Regulations in relation to treatment of persons from abroad and persons who have been excluded from making a claim for a council tax reduction as a result of their immigration status. This reflects amendments that have been made to similar provisions in Regulations relating to Housing Benefit and Universal Credit. The amendments include:
 - Removing 'job-seekers' as people having a right to reside for purposes of qualifying to receive a reduction;
 - Listing people forced to leave Zimbabwe or Montserrat as passing the right to reside test for the purposes of qualifying to receive a reduction; and
 - Listing people from states which have ratified the European Convention on Social and Medical Assistance or the Council of Europe Social Charter as not being subject to immigration control, meaning they are eligible to apply for a reduction.

The matters that determine eligibility for a reduction and the amount of reduction under the default scheme

30. The class of person that an individual falls within (for the purposes of a reduction under the default scheme), and the reduction they will receive, are determined through means-testing.
31. The Default Scheme Regulations use the same rules and criteria for means testing as were used under the former Council Tax Benefit system, and as with that system under the Default Scheme Regulations separate provision is made for the means testing of pensioners and persons who are not pensioners.
32. The means tests are based on a comparison of an individual's income (as defined in the Regulations) and their applicable amount (a living allowance).

An individual's applicable amount will continue to be made up of four elements:

- A personal allowance in respect of the applicant;
- An amount in respect of any child or young person who is part of the applicant's family;
- A family premium element (where the applicant is part of a family of which at least one member is a child or young person); and
- Any premium amount, as set out in the Regulations, which is applicable to the applicant for example, for a disability or in relation to caring responsibilities.

33. The elements of, and the calculation methodology for, the applicable amount replicate those used in the former Council Tax Benefit system.
34. Where wider welfare reforms have necessitated amendments to recognise any new benefits, such as the introduction of the Personal Independence Payment which replaced Disability Living Allowance for new claimants in April 2013, technical amendments have been made by the Welsh Government.
35. An amendment has also been made to correct an error in the 2012 Regulations which meant recipients of Personal Independence Payments (PIP), which is gradually replacing Disability Living Allowance (DLA), were treated more favourably when determining an applicant's entitlement to an enhanced disability premium for the purposes of determining eligibility for a reduction under a Council Tax Reduction Scheme. This had the unintended consequence of increasing expenditure on Council Tax Reduction Schemes, though due to the gradual implementation of PIP this has had a limited effect.
36. The amendment made bring the treatment of recipients of PIP into line with the recipients of DLA and is consistent with the approach taken under the previous Council Tax Benefit system. A number of further amendments have also been made to ensure all necessary references to PIP are included within the Regulations.
37. In addition, amendments have been made to ensure provisions in relation to the Armed Forces Independence Payments, which is an alternative to PIP, DLA and Attendance Allowance (AA), for service personnel and veterans who have been seriously injured as a result of their service, are up to date and any necessary references are included.

How income and capital of the applicant and others, should be treated when calculating entitlement to a reduction under the default scheme, including cases where an applicant or their partner has an award of Universal Credit

38. In accordance with the Default Scheme Regulations an applicant's income and capital will be calculated in line with the provisions which existed under the former Council Tax Benefit system.
39. As such, the income and capital of an applicant's partner (or, to mitigate the risk of over-claiming in a polygamous marriage, partners) will continue to be

treated as income of the applicant. Income or capital of any child or young person will also continue not to be treated as income or capital of the applicant.

40. The Default Scheme Regulations also allow a Local Authority to treat the income or capital of a non-dependant (someone who is aged over 18 and who normally lives with the applicant, for example, an adult son, daughter, relative or friend) as if it were the income or capital of the applicant, in a case where it appears to the Local Authority that the two have entered into arrangements to take advantage of the system. There is an exception to this rule for those on income related Jobseekers Allowance and income related Employment and Support Allowance.
41. There will be special treatment of income and capital for those in receipt of state pension credit:
- For those in receipt of the guarantee credit element of state pension credit, the whole of their income and capital will be disregarded; and
 - For those in receipt of the savings credit element of state pension credit, the Local Authority will be able to use the Department for Work and Pensions' Pension Service's assessment of income and capital of the individual, and adjust this to take into account income from this benefit and any other relevant requirements.
42. Provisions in the Default Scheme Regulations that relate to income, the calculation of income on a weekly basis, what is to be regarded as income, and what is to be disregarded as income, replicate those that existed within the former Council Tax Benefit system.
43. In relation to income, wider welfare changes mean new working age benefits are being introduced, for example, Disability Living Allowance will be replaced by Personal Independence Payments. New claimants will be migrated onto these benefits over time, so both benefits will co-exist for a number of years (for example Universal Credit migration will take place over a five year period). These new benefits have therefore been incorporated within these Regulations, and the approach to the provisions included in relation to these new benefits has been agreed with the Department for Work and Pensions.
44. Provisions relating to capital, what is to be regarded as capital, what is to be disregarded as capital and other capital calculations will also operate in the same way under the Default Regulations as they did within the former Council Tax Benefit system.

The application of the scheme to students

45. Matters relating to the application of the default scheme to students will be dealt with in the same way as they used to be under the former Council Tax Benefit system.

Extended reductions

46. The Default Scheme Regulations set out that an individual who is approaching pension credit eligible age:

- And who is in receipt of Council Tax Reduction and not in receipt of working age benefits (Income Support, income related Jobseeker's Allowance, income related Employment and Support Allowance);
- Or whose partner has claimed state pension credit,

will continue to receive an extended payment of their Council Tax Reduction for a period of four weeks.

47. The Regulations also set out that an applicant who is not a pensioner and who is entitled to a reduction under the default scheme will be entitled to receive an extended payment of their Council Tax Reduction for a period of four weeks, where the applicant or the applicant's partner was entitled to a qualifying income related benefit for a continuous period of at least 26 weeks and entitlement to this benefit ceased because the applicant or the applicant's partner:

- Commenced employment as an employed or self-employed earner;
- Increased their earnings from such employment; or
- Increased the number of hours worked in such employment.

48. If an applicant moves to the area of a new Local Authority during the extended reduction period then the first Local Authority will pay the second Local Authority, or the applicant, their reduction amount for the extended reduction period.

49. If an applicant applies for a Council Tax Reduction to the second Local Authority, the second Local Authority will net off the reduction amount received from the first Authority. Any balance of reduction award will be paid to the applicant. After the extended reduction period ends, the first Local Authority's liability in relation to extended payments will cease and the new Local Authority's reduction will apply.

Period of entitlement and changes of circumstances

50. While the Default Scheme Regulations retain the existing council tax benefit system's provisions in relation to:

- Date on which a change of circumstances is to take effect; and
- Changes of circumstances where state pension credit is in payment;

where possible these provisions have been simplified, to reduce the administrative impact on Local Authorities and to simplify the process for applicants, so that the majority of changes are effective from the date on which they actually occur.

51. The Regulations also replicate current arrangements for a person to act on behalf of another, for example, where a person has been granted power of attorney over a liable council tax payer.

Award or payment of reduction

52. Matters relating to the time and manner of granting relief and persons to be paid under the default scheme will be dealt with in the same way they used to be under the former Council Tax Benefit system.

Treatment of Universal Credit

53. The Default Scheme Regulations contain provisions about applicants with an award of Universal Credit (an individual or a couple).
54. For the applicable amount of such applicants the amount of the maximum award calculated for the purposes of Universal Credit is used. This ensures that there is a consistent approach towards the amount that Universal Credit determines a person needs to live on and the amount that Council Tax Reduction Schemes assume a person needs to live on.
55. In determining an applicant's income, the default scheme will use the income assessment made by DWP for Universal Credit. For most cases this will only be modified by adding in the award of Universal Credit itself, and any further 'discretionary' reduction that the Authority decides to apply. A calculation will also be undertaken to convert the amounts of income and award into amounts for a week as opposed to a month.
56. The way Universal Credit works means that housing and childcare costs are taken into account under both the calculation of 'income' and the calculation of the 'applicable amount', and as such they cancel each other out. Allowing housing and childcare costs to be taken into account in both the 'maximum award' and assessed 'income' is considered simpler to administer and avoids a dual tapering of support, because the means test for the default scheme will take into account the fall in housing and childcare support as earnings increase.
57. Universal Credit already provides support for childcare. Households increasing their working hours may face increased childcare costs, which will be partially offset by Universal Credit. Since Universal Credit is taken into account for both the applicable amount and income calculations made under the default scheme, increased childcare costs will not lead to a reduction in support under this scheme.
58. In line with the treatment of other applicants for reductions under the default scheme, applicants with an award of Universal Credit will lose 20p for every £1 of income over and above their applicable amount, subject to any earnings disregards that may be applied under the scheme. This supports positive work incentives by mitigating the risk of having high marginal deduction rates.

(A marginal deduction rate is the proportion of any increase in earnings which is lost due to tax or to reduced benefit payments.)

59. Since the 20 per cent council tax support taper applies to the Universal Credit income which has already been tapered by 65 per cent, marginal deduction rates cannot exceed 100 per cent and will instead be around 81 per cent, taking into account a person's tax and national insurance contributions.

Areas of local discretion available under the prescribed requirements Regulations

60. The Prescribed Requirements Regulations set out areas of discretion where Local Authorities can be choose to be more generous than the minimum requirements set out in the Default Scheme Regulations in relation to extended reduction periods, disregarding war pensions and backdating applications. The Default Scheme Regulations do not allow for any areas of local discretion.

Consultation

61. The details of the consultation undertaken are included in the RIA below.

PART 2 – REGULATORY IMPACT ASSESSMENT

Options

Option 1 – Do nothing

62. The sunset clause applying to the 2012 Regulations limits the Council Tax Reduction Schemes adopted by Local Authorities to the 2013-14 financial year. If no action is taken to bring forward new Regulations then there will be no legal powers to introduce schemes to provide assistance to households in meeting their council tax bills from 1 April 2014.
63. This means that the approximately 320,000 applicants currently receiving support under a Council Tax Reduction Scheme would be required to pay their council tax bill in full.

Option 2 - Draft Regulations based on the 2012 Regulations but reduce support provided to applicants in line with the shortfall in funding

64. Bring forward new Regulations based on the 2012 Regulations but which restrict the level of support provided to eligible applicants in line with the shortfall in funding transferred by the UK Government. For example, by setting a maximum reduction in a person's council tax liability, by capping the level of support provided to that for a Band D property etc.

Option 3 - Draft Regulations based on the 2012 Regulations retaining full entitlements for eligible applicants, with the Welsh Government and Local Government sharing the costs of the shortfall in funding

65. Bring forward new Regulations based on the 2012 Regulations maintaining full entitlements to support for eligible applicants. As there is a shortfall in funding transferred by the UK Government to provide households with assistance in meeting their council tax bills, continuing to provide the same level of support will result in a shortfall in funding. This shortfall will be shared between the Welsh Government and Local Government.

Costs & benefits

Option 1 – Do nothing

66. If no action was taken to bring forward new Regulations, then none of the administrative costs for the Welsh Government or Local Government of operating a new scheme, set out under options 2 and 3 below, would be incurred.

67. Furthermore, the funding transferred from the UK Government to the Welsh Government following the abolition of Council Tax Benefit could be used to support other Welsh Government priorities. The funding that has been transferred for 2014-15 is £222m and £5.2m will also be transferred to meet some of the costs of administering the schemes.

68. However if no form of assistance in meeting council tax bills is provided then the current recipients of council tax reductions in Wales (approximately 320,000) would be expected to meet their council tax bills in full.

69. Given that Council Tax Reduction Schemes provide income-related support for those with low incomes this is likely to cause severe financial hardship for current recipients. As a result demand for advice and support from local advisory bodies and other third sector organisations would increase raising the costs incurred by these organisations. There could also be an increased number of applications to Local Authorities for hardship assistance or an increased incidence of homelessness.

70. As it is unlikely that a recipient currently receiving a 100% reduction in their council tax liability would be able to pay their full council tax bill, there would be an impact on Local Authorities' collection rates and consequently the funds that local government has available to deliver its local services. This could also result in an increase in council tax in future years.

71. There would also be significant costs for Local Government as a result of increased collection and enforcement activity.

Option 2 - Draft Regulations based on the 2012 Regulations but reduce support provided to applicants in line with the shortfall in funding

72. It should be noted that all of the costs outlined below result from the UK Government's decision to abolish council tax benefit and to reduce the funding available to provide future support by 10%.

Costs to Current Recipients

73. Regulations to reduce the level of assistance that is provided to claimants, in line with the shortfall in funding transferred by the UK Government, would mean those claiming support under Council Tax Reduction Schemes would have to pay a proportion of their council tax bill.
74. The costs to current recipients would depend on the mechanism used to reduce expenditure on Council Tax Reduction Schemes. For example, based on calculations made in the Explanatory Memorandum for the 2012 Regulations, if Regulations were brought forward setting the maximum level of council tax liability which can be rebated at 90%, applicants would on average lose an estimated £67 of support per annum.

Administration Costs – Local Government

75. In 2013-14 rather than disaggregating the costs of administering Council Tax Benefit from administering Housing Benefit once Council Tax Benefit was abolished, DWP continued the existing administration subsidy arrangements and provided funding directly to Local Authorities to cover the administration costs of both Housing Benefit and Council Tax Support.
76. For 2014-15, DWP has determined that a proportion of the administration funding which relates solely to Council Tax Reduction cases should be disaggregated from the current subsidy and passed to DCLG and the Devolved Administrations. Based on previous cost modelling exercises, DWP has assessed this as equating to 20% of the weighted caseload, with the remaining caseload relating to joint Housing Benefit /Council Tax Reduction cases or Housing Benefit only cases. The remaining 80% of the funding will be provided by DWP directly to Local Authorities for 2014-15.
77. The administrative funding that will be transferred to the Welsh Government has been calculated by DWP taking into account planned efficiencies set out in the Autumn Statement 2012 and Budget 2013 and the respective workload shares of each country. As a result £5.2m will be provided to the Welsh Government for the administration of CTRS in 2014-15 and this will be distributed to Local Authorities as part of the Revenue Support Grant.

Administration Costs – Welsh Government

78. There will be costs for the Welsh Government in relation to the implementation, maintenance and monitoring of Council Tax Reduction Schemes. These costs are being met through the reprioritisation of resources within the Local Government and Communities Departmental Running Costs.

Other Costs

79. There will be costs associated with the fraud and enforcement arrangements and the appeals process for the new Schemes however these are detailed in

the Regulatory Impact Assessment for the Regulations covering these matters.

Indirect Costs - Impact on Council Tax Collection Rates and Collection Costs

80. If Regulations are made reducing the level of support provided to eligible applicants by restricting the maximum rebate in their council tax liability to 90%, approximately two-thirds of current applicants would have to pay council tax for the first time. As a result Local Authorities would expect their council tax collection rates to fall and the costs of collecting this additional council tax to rise. Individual estimates from Local Authorities, based on their tax base calculations for 2013, suggest that dependent on the Local Authority area collections rates could be expected to fall between 0%-1.5%.

Indirect Costs - Impact on Advisory Services and Third Sector Organisations

81. Requiring applicants who have never previously paid council tax to pay a proportion of their council tax bill is likely to increase demand for advice and assistance from advisory services and other third sector organisations.

Benefits

82. Whilst this option would reduce the level of support eligible claimants received from Council Tax Reduction Schemes, it would mean households would continue to receive some financial assistance in meeting their council tax bills. This would avoid the financial hardship and the associated costs listed under option one of requiring people on the lowest incomes to pay their council tax bill in full.
83. Reducing the level of support provided under Council Tax Reduction Schemes, rather than making up the funding shortfall would mean Welsh Government and Local Government would not have to reduce funding available for other areas/ services.

Option 3 - Draft Regulations based on the 2012 Regulations retaining full entitlements for eligible applicants, with the Welsh Government and Local Government sharing the costs of the shortfall in funding

Costs of funding the shortfall

84. Based on current levels of expenditure under the Council Tax Reduction Schemes, the funding shortfall is expected to exceed £30 million. However this does not take into account any increase in expenditure as a result of council tax increases, which are a locally determined decision, or as a result of other factors which increase expenditure for example local job losses.
85. As part of the provisional Local Government Settlement, the Welsh Government has provided £22m within the Revenue Support Grant for Council Tax Reduction Schemes. This is in addition to the £222m transferred

by the UK Government following the abolition of Council Tax Benefit. Local Government will be expected to meet the remaining costs of the shortfall and it will be a local decision as to how this is funded.

Administration Costs – Local Government

86. In 2013-14 rather than disaggregating the costs of administering Council Tax Benefit from administering Housing Benefit once Council Tax Benefit was abolished, DWP continued the existing administration subsidy arrangements and provided funding directly to Local Authorities to cover the administration costs of both Housing Benefit and Council Tax Support.
87. For 2014-15, DWP has determined that a proportion of the administration funding which relates solely to Council Tax Reduction cases should be disaggregated from the current subsidy and passed to DCLG and the Devolved Administrations. Based on previous cost modelling exercises, DWP has assessed this as equating to 20% of the weighted caseload, with the remaining caseload relating to joint Housing Benefit /Council Tax Reduction cases or Housing Benefit only cases. The remaining 80% of the funding will be provided by DWP directly to Local Authorities for 2014-15.
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Administration Costs – Welsh Government

89. There will be costs for the Welsh Government in relation to the implementation, maintenance and monitoring of Council Tax Reduction Schemes. These costs are being met through the reprioritisation of resources within the Local Government and Communities Departmental Running Costs.

Other Costs

90. There will be costs associated with the fraud and enforcement arrangements and the appeals process for the new scheme however these are detailed in the Regulatory Impact Assessment for the Regulations covering these matters.

Sectors

91. Local Government and the Voluntary Sector have been consulted during the development of proposals to introduce Council Tax Reduction Schemes in Wales. This is detailed in the Consultation section.

92. This legislation will not affect the Business Sector.

Duties

93. In drafting these Regulations consideration has been given to Welsh Minister's duty to promote equality and eliminate discrimination and an Equality Impact Assessment has been completed.
94. Council Tax Reduction Schemes will be implemented and operated by Local Authorities who are under general duties to comply with Welsh Language and Sustainable Development duties.

Consultation

95. A technical consultation on the draft Regulations was published on the Welsh Government web-site and was sent to:

- Opposition Party Spokespeople
- The Chair of the Constitutional and Legislative Affairs Committee
- The Chair of the Communities, Equality and Local Government Committee
- Members of the Council Tax Reduction Scheme Task and Finish Group
- Members of the Council Tax Reduction Scheme Reference Group
- Members of the Welsh Government's Welfare Reform Officials Group
- Members of the Welsh Revenue and Benefits Practitioners Group
- Software Providers.

96. Seventeen responses were received and as a result a number of amendments were made to both the Default Scheme Regulations including:

- Clarifying the consultation requirements for Local Authorities in preparing their schemes;
- Amending the provisions in relation to the application for a reduction to allow Local Authorities to receive an application 'in writing' other than by way of a claim form;
- Removing provisions relating to the treatment of two or more changes of circumstances which occur in one reduction week;
- Removing the 26 week grace period in relation to changes of circumstances for non dependant deductions;
- Amending the date of deemed applications from 1 March 2014 to 15 February 2014 to allow Local Authorities' to make earlier preparations for their annual billing processes;
- Revising provisions in relation to Armed Forces Independence Payments to ensure all necessary references were included;
- Introducing a one month time limit within which an applicant must request a Local Authority reconsider its decision in relation to a reduction under the Scheme; and
- Removing as an area of local discretion the information provided as part of an Authority's notification of decision procedures.

Competition Assessment

97. This has been scored against the competition filter test which indicated that there will be no detrimental effect on competition.

Post implementation review

98. As a result of the impact of wider welfare reform changes and the current uncertainty around the level of funding that will be provided by the UK Government to operate council tax reductions schemes in Wales, this legislation will have to be reviewed in 2014-15 to consider any amendments required for 2015-16.

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Agenda Item 5

Rùnaire a' Chaibineit airson Cultair agus Cùisean an Taobh a-muigh
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13 November 2013

Dear Mr Williams

Inquiry into Wales' role in the EU decision-making process

I enclose a written submission on behalf of the Scottish Government in response to your invitation to submit written evidence for the Committee's inquiry into Wales' role in the EU decision-making process.

I am very much looking forward to giving oral evidence to the Committee and hope that this evidence on Scotland's role in the EU decision-making process will prove helpful to the Committee's inquiry.

*Kind regards
Fiona Hyslop*

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Yours sincerely

FIONA HYSLOP

1. The Scottish Government is grateful for the opportunity to make a contribution to the Constitutional and Legislative Affairs Committee of the Welsh National Assembly's inquiry into Wales' role in the EU decision-making process. While the Scottish Government is not in a position to comment on Wales' role in this process, we hope that evidence on Scotland's role will provide the Committee with a useful comparator.

The Scottish Government's position on membership of the EU

2. In the context of the referendum on an independent Scotland, the Scottish Government will set out its full position on Scotland's role in the EU in a White Paper to be published on 26 November 2013. The Committee may wish to refer to the White Paper once it is published to ascertain how an independent Scotland would engage with the EU. This response focuses, however, on Scotland's role in the EU decision-making process under the current constitutional arrangements.

3. The Scottish Government sees clear and tangible benefits to membership of the EU and is committed to Scotland remaining a part of the EU. Scotland experiences clear benefits from the freedom of movement of persons, goods, services and capital and access to a single market comprising of in excess of 500 million European citizens and 22 million businesses.

Scotland's role in the EU decision-making process

4. Although, in terms of the current devolution settlement for Scotland, relations with the European Union and its institutions is a matter which is reserved to the UK Government, the Scottish Government has responsibility for implementing and ensuring that EU law is observed in Scotland in areas within the devolved legislative competence of the Scottish Parliament. The Scottish Government, therefore, has a wide interest in the formulation of EU law and the EU decision-making processes and seeks to engage as much as possible with both the UK Government and the EU institutions to ensure that Scotland's interests are promoted and defended. The Scottish Government is committed to strengthen Scotland's voice in Europe, aiming to ensure that Scottish interests are fully represented at the European level, while making clear to the rest of Europe the wealth of experience and resources Scotland has to offer as a nation. Already, Scotland, like so many of the EU's smaller states, plays a highly active role in engaging with EU matters. This is done in a variety of ways which are outlined below.

Representation of Scotland's interests in devolved matters in the EU decision-making process

Joint Ministerial Committee (Europe)

5. As has been highlighted, under the current constitutional settlement for Scotland, the UK Government is responsible for relations with the EU and its institutions. One of the key priorities of the Scottish Government is, therefore, to ensure that the UK Government is made aware of the Scottish interest on EU matters. Relations between the Scottish and UK Governments on EU matters are governed by the Memorandum of Understanding and Supplementary Agreements between the UK Government, the Scottish Ministers, the Welsh Ministers and the Northern Ireland Executive Committee as well as the Concordat on the Coordination of EU Policy issues.

6. While the Scottish Government seeks to work constructively with the UK Government, the Scottish interest will not always coincide with that of the UK Government and this can create difficulties in arriving at a position which is satisfactory to the UK Government as well

as all of the devolved administrations. The Committee will be aware that the Memorandum of Understanding relating to attending and speaking at meetings of the Council of the European Union was revised this year so as to enable increased attendance from representatives of the devolved administrations. These revisions should ensure better representation of the Scottish interests at meetings of the Council but it will still be a challenge in ensuring that the Scottish position can be communicated effectively.

7. When attending the Joint Ministerial Committee (Europe), the Cabinet Secretary for Culture and External Affairs seeks to arrange pre-meetings with her counterparts in the other devolved administrations to discuss how the interests of the devolved administrations can best be put over at the Committee. When speaking together, the voice of the devolved administrations is that much stronger.

Explanatory Memoranda

8. Explanatory memoranda are prepared by the UK Government to inform the UK Parliament of EU legislative proposals and other activity that might lead to EU legislation, such as European Commission consultation papers. They provide an explanation of the issue and an outline impact assessment, looking at financial, legal, policy and political implications. The Scottish Government is consulted when an Explanatory Memorandum is being prepared so that they can advise on whether the proposal would have any impact in an area of devolved competence, and where appropriate, provide suitable text for inclusion in the Memorandum.

9. The Explanatory Memorandum process serves two main purposes. Firstly, it is vital in keeping the Scottish Government apprised of key EU developments and engaged with counterparts in Brussels and London to ensure that the Scottish interests are represented. Secondly, the process allows officials to raise concerns about the subsidiarity or proportionality of EU legislative proposals at an early stage and influence the process of negotiating them. The Scottish Government and the Scottish Parliament work together to ensure that the subsidiarity, proportionality and competence aspects of all EU legislative proposals are closely monitored.

EU Obligations

10. The Scottish Government is responsible for implementing EU legislation where it relates to a matter within the devolved legislative competence of the Scottish Parliament. The Scottish Government, therefore, has responsibility for transposing a number of EU Directives into Scots law. Scottish Government officials work closely with their counterparts in the UK Government in order to keep abreast of EU legislation which requires transposed and also feedback details of the transposition measures so that these can be notified to the European Commission.

11. The Scottish Government will also liaise with the UK Government when infringement proceedings for a failure to implement or enforce EU law are commenced by the European Commission which also concern a matter which is within the devolved competence of the Scottish Parliament.

Other means of engaging on EU matters

12. There are a wide number of ways in which Scotland directly engages with the EU institutions as well as the other Member States.

Action Plan for European Engagement

13. The Scottish Government has an Action Plan on European Engagement which takes a pragmatic approach to ensure that our activities are properly focused to maximise our impact. The appendices to the Action Plan are updated on a biannual basis in line with the rotation of the EU Presidency. These provide information on Scottish Government activity over the previous six months and look ahead at issues of importance to Scotland during the forthcoming Presidency period.

14. Our engagement is currently focussed on four key areas where Scotland can achieve real benefits in the long run and also where we can demonstrate to the European Union that Scotland is a constructive partner that can play a leading role and contribute for the wider benefit of EU citizens. Although we have identified these four areas of priority, we strive to engage directly with the EU institutions, UK counterparts and stakeholders, in all areas of EU competence.

15. Our key areas are:

- Energy and Climate Change
- Marine Environment including Fisheries
- Research and Creativity
- Freedom, Security and Justice (formerly Justice and Home Affairs)

16. The Scottish Government also has a role in driving forward a genuinely collaborative approach, open to all of Scotland's stakeholders to be most successful. When we approach Europe in a co-ordinated manner, focusing on Scotland's main interests, the impact of strong, consistent and targeted messages help to strengthening Scotland's voice and promote Scotland as a credible, influential player across Europe.

The Scottish Government EU Office

17. The Scottish Government EU Office based in Brussels provides support for the work of the Scottish Government on EU policy by helping Ministers and officials to strengthen their relationships with the EU institutions and the UK Permanent Representation to the EU as well as other Member States and other sub-Member State representations. The Office provides the Scottish Government with its own distinct representation in Brussels, but as part of the UK, it is also part of the UK Representation. The office reports on events and developments in Brussels to Ministers and officials, identifying key issues for Scotland and communicating the Scottish position. Arranging cultural and policy related events to promote Scotland in Europe is a key part of this.

Role of the Scottish Parliament

18. The Scottish Parliament is an important partner in achieving Scottish objectives in Europe. The European and External Relations Committee takes the lead in focusing the Parliament on the EU issues of greatest interest, while subject committees also consider EU policies falling within their remits. The Scottish Government regularly updates the committees and give evidence on the Scottish Government's European affairs in order that the Scottish Parliament may play an active role.

Members of the European Parliament

19. Of the 73 UK Members of the European Parliament, six are from constituencies in Scotland and have responsibility for representing the interests of their constituencies. MEPs have a direct role in the formulation of EU law and policy and play a key role in ensuring Scotland's interests are represented in the European Parliament.

20. Although the UK Government is responsible for the appointment of the UK members of the Committee of the Regions, the First Minister of Scotland is responsible for coordinating the appointment of the Scottish nominees. The Scottish Executive and Parliament each make two nominations and the Convention of Scottish Local Authorities (CoSLA) makes four nominations. The Scottish Parliament then approves all Scottish nominees. Scotland, therefore has a direct voice on regional and local affairs at the EU level.

Review of the Balance of Competences between the UK and the European Union

21. The UK Foreign Secretary launched a review of the EU Balance of Competences in Westminster on 12 July 2012. The aim of the review is to analyse the UK's membership of the EU and deepen the public and parliamentary understanding of it.

22. The review is broken down into a series of reports on specific areas of EU competence, spread over four semesters between autumn 2012 and autumn 2014. The review has now reached the third semester and calls for evidence are currently live in relation to ten areas, including the EU budget, free movement of services in the single market, financial services and the free movement of capital in the single market, competition and consumer protection, fisheries, agriculture and energy.

23. The Scottish Government is engaging with the review and responding to provide evidence highlighting the areas of EU competence which work well and benefit in Scotland as well as those which may be reformed and better regulated.

24. To date the responses issued by the Scottish Government in the first two semesters highlight the importance of Scotland remaining within the EU. While we have provided some evidence of where the balance of competences could be improved, the evidence we have submitted overwhelmingly highlights that the benefits of EU membership significantly outweigh the costs. The Scottish Government considers that many issues with the balance of competences can be addressed by better regulation by the EU institutions and are supportive of the European Commission's REFIT programme.

25. The evidence submitted by the Scottish Government also highlights the importance under the current constitutional settlement of constructive engagement between the UK Government and devolved administrations on European issues as well as direct engagement between the Scottish Government and the EU institutions.

By virtue of paragraph(s) vi of Standing Order 17.42

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