

Disability and Council Tax Benefit/Local Council Tax Support default scheme

Premiums for disability

The applicable amounts for Council Tax Benefit are made up of several allowances and premiums. The applicable amount specifies the amount of income that someone needs to have before Council Tax Benefit starts to decrease. The income premium and allowances used in the Council Tax Benefit assessment are more generous for disabled people

Disabled customers receive a premium which enables them to receive more help towards their Council Tax. The disability premium provides a straightforward and administratively simple means of targeting additional support to sick or disabled people.

Additional living and accommodation expenses may be incurred by long-term sick or disabled people, as such people whose illness or disability is of a long-term nature are more likely to experience increased financial pressure associated with their duration on benefit. For example, a disabled person may be forced to spend a greater than normal proportion of their time at home, thereby incurring extra costs for heating, lighting and electricity.

However, disability premiums are not calculated with reference to specific circumstances or needs. Instead Council Tax Benefit adopts a 'broad brush' approach, providing all customers who satisfy the qualifying criteria with additional benefit at a flat rate. Therefore, to qualify for the disability premium, the customer must normally have been sick for 12 months, or be registered blind, or be entitled to one of a number of long-term disability benefits, such as Disability Living Allowance. From April 2013 the Government is introducing a new benefit called Personal Independence Payment (PIP) to replace Disability Living Allowance (DLA) for eligible working age people aged 16 to 64.

There are three disability premiums: disability premium, severe disability premium and enhanced disability premium.

If a claimant has a child or children, there's a family premium, a disabled child premium and a special children's rate of the enhanced disability premium. There is also a carer premium that's paid if a claimant is looking after someone with a disability.

Increased earnings disregards

A higher earnings disregard applies for those who qualify for the disability premium or severe disability premium (or either component of the Employment and Support Allowance) in Council Tax Benefit. This means that more of the disabled customer's income is not taken into account when calculating Council Tax Benefit.

Disregard of disability benefits

Generally, disability benefits are disregarded for CTB purposes and so do not reduce the amount of weekly CTB to which a person is entitled. These disability benefits are provided to cover specific costs arising from a person's disability rather than to meet housing costs or Council Tax liability. These include Disability Living Allowance (either mobility or care component), Attendance Allowance, Severe Disablement Allowance, or payments made under the War Pensions or Industrial Disablement schemes.

Reduced non-dependant deductions for customers with disabilities

For certain disabled Council Tax Benefit customers no non-dependant deductions are applied to their Council Tax Benefit award, regardless of the number of non-dependants that they may be living with them. These are either:

- registered blind people;
- Those in receipt of Attendance Allowance; or
- Those in receipt of the care component of Disability Living Allowance.

Disability premium

The condition is that where the applicant or partner is in receipt of one or more of the following benefits:

Attendance allowance, disability living allowance, personal independence payment, the disability element or the severe disability element of working tax credit, mobility supplement, long-term incapacity benefit, is provided with an invalid carriage, is registered

blind, is incapable of work and has been incapable of work for a continuous period of not less than in the case of an applicant who is terminally ill 196 days; in any other case, 364 days.

Severe disability premium

The condition is that the applicant is a severely disabled person and is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate or the daily living component of personal independence payment and has no non-dependants aged 18 or over normally residing with him and no person is entitled to and in receipt of a carer's allowance.

In the case of an applicant who has a partner who is also in receipt of such an allowance and the applicant has no non-dependants aged 18 or over normally residing with him 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.

Enhanced disability premium

The condition is that the applicant has limited capability for work-related activity; or the care component of disability living allowance is payable at the highest rate or the daily living component of personal independence payment is payable.

Disabled child premium

The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household is in receipt of disability living allowance or personal independence payment or is registered blind.

Carer premium

The condition is that the applicant or his partner is entitled to a carer's allowance.

Council Tax Benefit disability premiums and other rates for working age claimants (people who have not reached the qualifying age for State Pension Credit)

Council Tax Benefit rates for working age claimants	April 2012	April 2013
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Premiums		
Disability Premium		
Single	30.35	
Couple	43.25	
Enhanced Disability Premium		
Single	14.80	
Disabled child rate	22.89	
Couple	21.30	
Severe Disability Premium		
Single	58.20	
Couple (lower rate)	58.20	
Couple (higher rate)	116.40	
Disabled Child Premium	56.63	
Carer Premium	32.60	

Non-dependant deductions

In the June 2010 Budget, the Chancellor announced that the rates of non-dependant deductions (NDDs) would be significantly increased over the next three years to match the level they would have been had they not been frozen since April 2001. Restoring the level is intended to mean a fairer deal for taxpayers and provide an expectation that adults make a reasonable contribution towards their housing costs. Therefore, in the final uprating round to achieve this NDD will again be increased from April 2013.

Non-dependant Deductions	April 2012	April 2013
In receipt of state Pension Credit or in receipt of IS, JSA(IB), or ESA(IR)	Nil	
Aged 18 or over and in remunerative work		
-gross income greater than £394.00	9.90	
-gross income not less than £316.00 but less than £394.00	8.25	

-gross income not less than £183.00 but less than £316.00	6.55	
-gross income less than £183.00	3.30	
Others aged 18 or over	3.30	

Family Premium

The condition is that there is a child or young person in the family.

Council Tax Benefit rates for working age claimants	April 2012	April 2013
<i>Premiums</i>		
Family Premium	17.40	
Family Premium (lone parent rate)	22.20	

War Disablement Pensions and War Widow's Pensions

A statutory £10 disregard is applied to War Disablement Pensions, War Widow's Pensions or any corresponding pension payable to a widower or surviving civil partner. However, the council, in acknowledging the sacrifices of the armed forces, has always applied a local discretion to fully disregard such awards for CTB purposes.

Earnings disregards

Net income from part-time or full-time work is taken into account when Council Tax Benefit is calculated. However, for the purpose of assessing how much CTB a claimant is entitled to, a small amount of their weekly income is disregarded. Earnings disregards are designed to incentivise people to move into work.

The first £25 of earnings is disregarded for a lone parent.

£20 of earnings is disregarded if a claimant/partner

- are entitled to a disability premium, severe disability premium or carer premium
- get Employment and Support Allowance (ESA) and it's in its main phase
- have special earnings because they are a part-time fire fighter, auxiliary coastguard or part of a lifeboat crew or Territorial Army or reserve forces personnel

£10 is disregarded for couples in all other cases and for single claimants, £5 is disregarded.

A further £17.10 a week is disregarded if:

- They receive Working Tax Credit that includes a credit for working 30 hours or more a week.
- Their applicable amount includes a family premium or a disability premium and the claimant or partner is working 16 hours or more a week.
- Their applicable amount includes a disability premium and they work 16 hours or more a week.
- They are over 25 and work 30 hours or more a week.
- They are a lone parent and work 16 hours or more a week.
- They get the 50-plus element of the Working Tax Credit

Childcare

The cost of eligible childcare (for a child up to the age of 15, or 16 (if they are disabled) can be disregarded up to £175 a week for one child or £300 a week for two or more children. This is providing that they are:

- a lone parent working 16 hours or more a week
- in a couple where both of them are working 16 hours or more a week
- in a couple where one of them is working 16 hours or more and the other is incapacitated

<i>Disregards</i>	<i>April 2012</i>	<i>April 2013</i>

Earnings disregards		
Childcare charges	175.00	
Childcare charges (2 or more children)	300.00	
Single person	5.00	
Couple	10.00	
Lone parent	25.00	
Additional earnings disregard	17.10	