

## WAYS OF REDUCING COUNCIL TAX / RATES FACTSHEET

### 1. Introduction

- 1.1. The information in this factsheet is intended to be a guide on how you may be able to reduce your council tax / rates. It does not cover every circumstance and it is possible that some of the information is over simplified or may become inaccurate over time, for example because of changes to the law. Information quoted is applicable from April 2015 to March 2016 and the Limbless Association has made every effort to ensure that the information is correct at the time of publication. People living in Northern Ireland pay rates rather than council tax. For clarity, unless otherwise indicated, where we use the term council tax we are also referring to rates.

### 2. Who has to pay Council Tax?

- 2.1. You usually have to pay council tax if you are aged 18 or over and own or rent a home. Some properties can be exempt from council tax, such as a property left empty by someone now living in residential care. Unless a property is exempt, someone will be liable to pay council tax on it.

### 3. How to pay less council tax

- 3.1. There are three schemes that enable a reduction in council tax bills:

- The Disability Reduction Scheme;
- The Discount Scheme;
- The Council Tax Reduction Scheme

- 3.2. All schemes are administered by your local authority.

### 4. The Disability Reduction Scheme

- 4.1. You can receive a disability reduction if you or any other resident in your dwelling is substantially and permanently disabled. This can be an adult or a child of any age, whether or not they are related to you.

- 4.2. To qualify, at least one of the following three criteria must be met:

- You have enough space in your dwelling for that person to use a wheelchair indoors;
- You have an additional bathroom or kitchen needed by the disabled person;

- You have a room (other than a bathroom, kitchen or toilet) needed by and predominantly used by that person
- 4.3. There is no general test of who counts as ‘substantially and permanently disabled’, although it will cover people who have been disabled for life and also those who have become disabled later in life.
- 4.4. There is also no general test of what it means for the disabled person to ‘need’ the room or wheelchair, except that they must be ‘essential or of major importance to his or her well-being by reason of the nature and extent of his or her disability’.
- 4.5. The person liable for the council tax has to make an application. You apply through your local authority, which may have a standard form for this. In some areas you may have to make a separate application for each financial year.
- 4.6. Disability reductions are not limited to dwellings specially constructed or adapted to provide a room or wheelchair space.
- 4.7. For those living in England, Scotland and Wales, if you are awarded a disability reduction, your council tax bill will be reduced to the amount payable for a dwelling in the valuation band below yours. If your dwelling is in band A (the lowest band), you will receive a reduction of one-sixth of your bill. For further information please refer to <https://www.gov.uk/council-tax/discounts-for-disabled-people>
- 4.8. For those living in Northern Ireland you will receive a 25% reduction on the rates for the property. For further information please refer to <http://www.nidirect.gov.uk/disabled-persons-allowance-rates>
- 4.9. If you should have been awarded a disability reduction in the past, but had not claimed until now, it should be backdated. There is no time limit.

## 5. The Discount Scheme

### For those who live in England, Scotland and Wales

- 5.1. The council tax discount scheme is applied to dwellings where fewer than two adults are considered to be resident.
- 5.2. Some adults living in the dwelling can be ‘disregarded’ when looking at the number of people in the dwelling for council tax purposes:
- You can receive a discount of 25% off your bill if you are the only person living in your home or if all the other occupiers are disregarded for council tax purposes.

- You can receive a 50% discount off your bill if you and all the other occupiers are disregarded.
- 5.3. There are several groups of people who can be disregarded when considering the number of residents in your dwelling. This is important because it can mean that you may qualify for a discount even though there are several people in your dwelling, so long as enough of them are disregarded.
- 5.4. This factsheet covers two of the groups of people that can be disregarded. You should contact your local authority for further details on this aspect of the scheme.

### Carers

#### For those who live in England, Scotland and Wales

- 5.5. This rule covers informal carers e.g. a relative or friend who cares for a disabled person living in the same dwelling. All the following conditions must be met. The carer:
- Provides care for at least 35 hours a week on average;
  - Is resident in the same dwelling as the cared for person;
  - Is not the spouse or partner of the cared for person;
  - Is not the parent of the person cared for (only applies if the cared for person is aged under 18);
  - The cared for person is entitled to one of the following benefits:
    - Personal Independence Payment daily living component;
    - Attendance Allowance either rate (only the higher rate in Scotland);
    - Disability Living Allowance middle or highest rate care component (only the higher rate in Scotland)
- 5.6. The person liable for council tax has to make the claim. You will need to contact your local authority to initiate the claim.
- 5.7. If you should have been awarded a carers discount in the past, but had not claimed until now, it should be backdated. There is no time limit.

#### For those who live in Northern Ireland

- 5.8. If you are a pensioner aged 70 or over and living alone, you will receive a lone pensioner allowance that gives a 20% reduction on your rates bill. However, if you are no longer able to live on your own because you require a resident carer to help care for you for 35 or more hours per week, the carer may be able to be disregarded. The carer must not be your spouse or partner. For more information

please refer to <http://www.nidirect.gov.uk/index/information-and-services/property-and-housing/rates/help-with-paying-your-rates.htm>

### **People who are 'severely mentally impaired'**

#### **For those who live in England, Scotland and Wales**

- 5.9. This rule covers those who have 'a severe impairment of intelligence and social functioning (however caused) which appears to be permanent'. This could, for example, apply to someone who has dementia. A medical practitioner must sign a certificate confirming this and the person must be entitled to one of the following benefits:
- Personal Independence Payment (daily living component);
  - Attendance Allowance;
  - Disability Living Allowance (middle or highest rate care component);
  - Employment and Support Allowance;
  - Incapacity Benefit;
  - Severe Disablement Allowance;
  - Income Support which includes a disability premium due to incapacity;
  - Universal Credit which includes a 'limited capability for work' or a limited capability for work related activity element;
  - The disability element of Working Tax Credit
- 5.10. The person liable for council tax has to make the claim. You will need to contact your local authority to initiate the claim.
- 5.11. If you should have been awarded a severe mental impairment reduction in the past, but had not claimed until now, it should be backdated. There is no time limit.

#### **For those who live in Northern Ireland**

- 5.12. If you should have been awarded a disability reduction in the past, but had not claimed until now, it should be backdated. There is no time limit. However, if you live with someone who has severe mental health difficulties, they may be able to be disregarded. For more information please refer to <http://www.nidirect.gov.uk/index/information-and-services/property-and-housing/rates/help-with-paying-your-rates.htm>

## **6. The Council Tax Reduction Scheme (England, Scotland and Wales)**

- 6.1. If you are on a low income, you may be able to receive financial support with your council tax liability. Prior to April 2013, this used to be called Council Tax Benefit.



However, the Government who used to set the rules has now passed over responsibility to individual local authorities and included a 10% drop in the level of available funding. As a result, rather than a consistent entitlement across the country, there are now differences in the level of help that can be received, dependent on where you are living.

- 6.2. To work out whether you are entitled to a Council Tax Reduction and how much you are entitled to, your local authority will look at your weekly income and how much capital you have.
- 6.3. The rules regarding how a local authority works out your entitlement is different, depending on whether you are of working age or a pensioner.
- 6.4. If you live in England Scotland or Wales please refer to <https://www.gov.uk/apply-council-tax-reduction> for more information from your local authority.
- 6.5. The rules are different in Northern Ireland as rates are paid. However, you can still have a reduction in your rates if you can show you have low income and capital. Please refer to <http://www.nidirect.gov.uk/index/information-and-services/property-and-housing/rates/help-with-paying-your-rates.htm>