

APPENDIX C

From 1st April 2013 Council Tax Benefit will be abolished and will be replaced by a local scheme of Council Tax support, which is a new way for people with low levels of income to apply for help towards their Council Tax costs.

Chorley Council's proposed Council Tax Scheme (CTS) is based on our current Council Tax Benefit scheme (CTB) but, unlike the current CTB scheme, there is a deduction of 7.5% to reduce the final award at the end of the calculation for working age claimants. Those who are pensioner age will be awarded CTS without the 7.5% deduction being applied. This is because the Government decided that claimants of pensioner age must be protected under the new CTS scheme and must not be worse off than they would have been under the CTB scheme.

CTS will be awarded to council tax payers on a means tested basis. Those on a low income or in receipt of certain benefits such as jobseeker's allowance, income support, employment and support allowance will qualify.

CTS will have a maximum capital cap cut off point for any applicants with £16,000 or more savings - which is the same as the current CTB scheme.

We will work out CTS by comparing the money that the claimant receives each week with their 'needs' level.

The 'needs level' is determined by the circumstances of the household. It will be higher for some people – for example, if the claimant is disabled, or if there are children in the household or if the claimant or partner are carers for another disabled person.

If the claimant's income is lower than their needs level they will be awarded the maximum amount of CTS which will meet their whole council tax liability less 7.5%.

If the claimant's income is higher than their needs level then the amount of CTS will be equal to the weekly Council Tax charged less 20% of the difference between their income level and their needs level and then a deduction of 7.5% is applied.

As with the current CTB scheme, there may also be deductions for non-dependant's who live in the household. A non-dependant is a person over 18 years of age that normally lives with the claimant other than a partner, dependant child, joint tenant or sub-tenant.

The amount of non-dependant deduction depends upon the non-dependant's age an income and the levels applied are in line with annual uprating.

Certain types of income, disabled benefits and War Widows (widowers) /war disablement scheme and Armed Forces Compensation Scheme payments are currently disregarded as income in the calculation of CTB. These will continue to be disregarded as income in the CTS calculation.

Customers who are currently receiving CTB up to 31 March 2013 will be automatically moved onto the CTS scheme so will not need to make a new application.