

Factsheet 21w ● August 2021

Council Tax in Wales – information about the tax and help you might get towards your bill



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1 Information about this factsheet

Council Tax is the system of paying towards local government services.

- This factsheet gives an outline of the most important aspects of the Council Tax system.
- It also includes a number of ways you may be able to reduce your Council Tax bill – for example through:
 - the means tested Council Tax Reduction Scheme; or
 - other discounts or reductions that are not related to your income and savings.

Note: The information given in this factsheet is applicable in Wales. Different rules may apply in England, Northern Ireland and Scotland. Contact Age UK, Age NI and Age Scotland respectively for further information – see section 18 for their contact details.

2 What is Council Tax?

Council tax is a property-based tax paid to local authorities. Council tax is charged on domestic, self-contained dwellings. Houses, flats, bungalows, houseboats and mobile homes all count as dwellings, whether owned or rented. Every dwelling receives one Council Tax bill.

If a property contains non-self-contained units (for example, a house divided into bedsits with a **shared** bathroom and kitchen, rather than split into separate self-contained flats) the property is one dwelling and gets one bill.

Note: If a property includes a ‘granny flat’ (often also referred to as ‘granny annexes’), this may well be assessed as a separate dwelling. However, the person living there might qualify for a Council Tax exemption – see section 6.2.

Every domestic dwelling is placed in one of nine Council Tax bands, depending on its value in 2003. **A** is the lowest band and **I** is the highest (see table below).

The value is based on figures from 2003 because this is when the most recent review and revaluation of all domestic properties in Wales took place. The review was carried out by the Valuation Office Agency, a government body which is part of HM Revenue and Customs and responsible for allocating the correct Council Tax bands to all homes in England and Wales – see section 17 for contact details. The Council Tax bands in Wales are:

Property band	Value of the property (in 2003)
A	Up to £44,000
B	Over £44,000 – up to £65,000
C	Over £65,000 – up to £91,000
D	Over £91,000 – up to £123,000
E	Over £123,000 – up to £162,000
F	Over £162,000 – up to £223,000
G	Over £223,000 – up to £324,000
H	Over £324,000 – up to £424,000
I	Over £424,000

3 Who has to pay the Council Tax?

An adult resident of a dwelling is normally liable for the Council Tax.

For Council Tax purposes you are 'resident' in a dwelling if it is your sole or main residence. You can only be resident in one dwelling at a time.

Note: Where you are resident is usually straightforward. However, if not, your sole or main residence should be the dwelling that a ‘reasonable onlooker’ with a knowledge of the facts would decide was your home at the time. Factors like how much time you spend at different addresses and your security of tenure in them, as well as where you are registered for voting and medical treatment, may be relevant.

One bill is sent to each dwelling regardless of how many people are living there. One or more people may be liable to pay the bill although the household can choose how to divide it up.

If no one lives in the property the owner is responsible. For information about empty property see section 6.1.

For the dwelling in which you live the rules on liability are:

- If you own your home you are liable for Council Tax and if a partner lives with you they are jointly liable, whether or not they are joint owners¹. Any joint owners resident with you are also jointly liable.
- If you rent your home from a non-resident landlord, you are liable for Council Tax. If you have a partner who lives with you, they are jointly liable (even if not mentioned on the tenancy agreement); as are any joint tenants.
- If you rent your home from a resident landlord, your landlord is liable.
- If you are a tenant or licensee in a house in multiple occupation (perhaps a bedsit, hostel or non-self-contained accommodation) the landlord/owner is liable whether resident or not.
- If you live in a care home, hostel, or religious community, the owner of the property is liable whether resident or not.

¹ A partner can be a spouse, civil partner or someone you live with as if married or civil partners.

3.1 Challenging liability

The local authority has the right to ask residents and property owners for information to help them decide who is resident and who is liable for Council Tax. Local authorities have the power to impose penalties if you do not respond to a request for information. However, you can appeal to the Valuation Tribunal for Wales against any penalty that is imposed – see section 17 for contact details.

You can also appeal against a decision about where you are resident and who is liable for Council Tax. You should appeal to the local authority that made the decision. If this appeal is unsuccessful, or if the local authority does not respond to it within two months, you can make a further appeal to the Valuation Tribunal for Wales.

4 Are you eligible to pay less Council Tax?

The Council Tax bill for a property depends on a number of factors such as how much your council spends on services, the income the council receives from the Welsh Government and business rates, as well as which property band your home is in. However, there are also various situations where a bill may be reduced. For example:

- Check whether you are in the correct Council Tax band and, if you believe you are not, whether it is possible to get the band changed – see section 5.
- Check whether your property could be exempt – do any of the criteria in section 6 apply? If properties are exempt there is no Council Tax to pay.
- Check if you qualify for the disability reduction scheme – the property may be placed in a lower band if it has certain features that are important for a disabled person living there, such as extra space for a wheelchair – see section 7.
- Check if you qualify for any discounts. In some circumstances the bill may be discounted by one quarter or one half – for example, if you live alone in a property (or count as living alone for Council Tax purposes) you will be entitled to a 25% discount – see section 8.

- Could you apply for a discretionary reduction in your Council Tax? See section 9.3.
- Check if you qualify under your local authority's Council Tax Reduction Scheme – a benefit which can help people with their Council Tax bills. Eligibility is means tested and depends on the income and savings of the person(s) responsible for the bill – see sections 14 to 16.

You might qualify for more than one type of reduction, in which case the council will check which apply to you in the same order that they are listed above.

Example:

Irene is disabled and lives alone. Her house is in band D, which in her area results in a basic Council Tax of £1,200. She has a low income.

Because she fulfils the conditions for the disability reduction, her Council Tax is reduced to that of a band C property, which in her area is £1,000. It is then reduced by 25% to £750 because of the 25% discount for living alone.

As she has a low income she also makes a Council Tax Reduction Scheme (CTRS) application to her local authority. Her bill, after the disability reduction and the discount have been applied, is used to calculate what help she will get through the CTRS. See sections 14 to 16 for further information.

5 Are you in the right Council Tax band?

As mentioned in section 2 above, the Valuation Office Agency values dwellings to determine which Council Tax band should be allocated.

In Wales this decision is based on the theoretical price that the dwelling would have been expected to attract on the open market in April 2003, taking into account certain assumptions, including that the property is in reasonable repair.

In general, increases or decreases in property prices will **not** mean that your property moves into a different band. However, major changes will sometimes mean that it can.

Examples:

If an extension is built the property may be worth more – although it will only move to a higher band when it is next sold.

A property can also move into a lower band – for example, if adaptations for a disabled person reduce its value, a motorway is built nearby, or the property is partly demolished. In scenarios such as this, properties can move down a band as soon as a change occurs.

If you think your property is in the wrong band because of the sort of major change described above, you can ‘make a proposal’ to alter the band. You can also make a proposal to change the band if you have moved to the property within the last six months (or if your property has appeared on the valuation list in the last six months – for example because it is a new home).

You may also be able to make a proposal if there has been an appeal decision on a comparable dwelling that gives you grounds for arguing that the valuation band of your property should be changed too.

5.1 Making a proposal

You can make a proposal by writing to the local office of the Valuation Office Agency (VOA), or by contacting them for a form. You will need to give information about yourself, the dwelling, the banding you are seeking for the dwelling and why you believe the current banding is incorrect.

When the VOA receives your proposal a listing officer will decide whether your proposal is valid or invalid. If your proposal is considered invalid you will receive an invalidity notice telling you why and giving you the opportunity to appeal to the Valuation Tribunal for Wales against this.

If your proposal is considered valid there are several possible outcomes:

- the listing officer may agree your proposal;
- a new banding for the dwelling may be agreed which is different from the one you proposed; or
- the Valuation Tribunal for Wales may hear the case as an appeal and make a decision.

A local advice agency may be able to help you with a proposal to change the Council Tax band allocated to your home – see section 17 for useful organisations.

6 Council Tax exemptions

If a property is exempt there is no Council Tax to pay at all.

Depending on circumstances, there are a range of different types of exemption which either:

- apply to empty properties; or
- for particular people (for example, those with a severe mental impairment).

6.1 Unoccupied property exemptions

Where the property is unoccupied and unfurnished

A dwelling that is unoccupied *and* unfurnished may be exempt from Council Tax:

- **For up to twelve months if it needs, is undergoing, or has recently had major repairs.**
- **For up to six months for any other reason** (when the exemption comes to an end, it is possible in some scenarios that a discount would be offered, though also, since April 2017, new legislation has allowed local authorities to charge *premiums* on long-term empty properties – see section 10 below).

Where the property is unoccupied, whether furnished or not

A dwelling that is unoccupied, whether furnished or not, should be exempt for an **indefinite period** if:

- The property was the previous sole or main residence of someone who is now in hospital on a long term basis, or is living permanently in a care home (to qualify the person would need to have been in a hospital or care home receiving care continuously since they left the now unoccupied property).
- The property was the previous sole or main residence of someone who has moved to a *new* sole or main residence in order to **receive** care due to age, illness, disability, past/present alcohol or drug dependence, or past/present mental disorder (for example, this could apply where the now unoccupied property belongs to an older person who has gone to live with a son or daughter).
- The property was the previous sole or main residence of someone who has moved to a *new* sole or main residence where they **provide** care to someone who requires this due to age, illness, disability, past/present alcohol or drug dependence, or past/present mental disorder.
- It is an empty caravan pitch or houseboat mooring.
- It is going to be occupied by ministers of religion.
- It has been left empty by its owner who is a student.
- It has been left empty by someone who is in prison.
- It has been repossessed by a mortgage lender.
- It has been left empty by someone who has died and letters of administration or probate have not been granted, or were granted less than six months ago.
- It is the responsibility of a bankrupt's trustees.
- It cannot be let/occupied without breaching planning or other legal restrictions.

If you fall into one of these categories, you – or someone else on your behalf – should write to the local council asking for the exemption to be applied.

Example:

Gemma usually lives alone in her own home. Her father is severely disabled with arthritis and Gemma decides to move in with him for the foreseeable future to care for him. The local authority grants an exemption from Council Tax on Gemma's usual home because Gemma has left it in order to care for someone who is disabled.

6.2 Occupied dwelling exemptions

An occupied dwelling can be exempt if it is:

- wholly occupied by one or more people who are severely mentally impaired – also see section 9.1 below;
- wholly occupied by people under the age of 18, or by students; or by a young 'care leaver' (i.e. a vulnerable young person who has been looked after by the local authority)².
- a self-contained property within another property, as long as the person residing in the self-contained dwelling is a dependent relative of whoever lives in the main part of the property – for example, this scenario could apply to a '**granny flat**' or '**granny annexe**'.

² "Dwellings occupied by a combination of care leavers and other relevant persons should be exempt. For example, dwellings occupied by a mix of care leavers and students would be exempt". "The exemption will apply from the age of 18 on the basis that this is the age at which care leavers could become liable for council tax [and] will end on a care leaver's 25th birthday" – see Explanatory Memorandum to The Council Tax (Exempt Dwellings) (Amendment) (Wales) Order 2019 and The Council Tax (Additional Provisions for Discount Disregards) (Amendment) (Wales) Regulations 2019, Rebecca Evans AM Minister for Finance and Trefnydd, 6 March 2019.

Note: In regard to the last bullet point above, a dependent relative will be someone who is aged 65 or over, or someone of any age who is severely mentally impaired, or substantially and/or permanently disabled.

A relative in this scenario has a wide meaning and can include quite distant and common-law relatives.

6.3 Making an application for a Council Tax exemption

If you think you qualify for an exemption ask your local authority if they have a specific form, or just write to them requesting the exemption, stating the reasons you qualify and the date from which it should be applied. There is no time limit for applying and an exemption can be backdated to the date it should have first applied.

You may have to produce evidence that the exemption applied throughout the backdating period.

Note: Changes in circumstances

If your dwelling is exempt from Council Tax and there is a change in circumstances that means it should no longer be exempt, you must tell the local authority. You should notify them within 21 days of the change, or you could be fined.

7 Disability reduction scheme

This scheme may apply if your home has features that make it suitable for someone living in it who has a disability.

Your income and savings are **not** taken into account.

The scheme will only apply where the person with the disability is substantially and permanently disabled (either physically or mentally), though they do **not** have to be the person responsible for the bill.

Only one reduction is permitted per address under the scheme (so if there were two disabled people living at the property there would still only be one reduction). The scheme is designed to help a disabled person who may need to live in a larger property than they would otherwise have needed – for example, the specialised features they need result in reduced living areas. The scheme could apply if:

- your home has an **additional** bathroom or kitchen for the use of a disabled person; or
- you have enough space for the disabled person to use a wheelchair indoors; or
- you have a room (other than a bathroom, kitchen or WC) which is mainly used by the disabled person – this might be a treatment room, a room for special equipment, or, in some cases, an additional bedroom.

7.1 What happens if you qualify?

If your home qualifies for a disability reduction your bill will be reduced by one band. For example, if your home is valued in band C you will only have to pay the amount for a band B property.

If you live in a band A property that has one of the features for disabled people described above, your bill will be reduced by one sixth.

7.2 Making an application for a disability reduction on your Council Tax

You will need to contact your local authority to apply for a disability reduction. Your authority may have a specific form you can fill in, or you can write to them requesting the reduction, stating the reasons you qualify and the date you would like it applied from. There is no time limit for applying and a disability reduction can be backdated to the date it should have first applied.

You may have to produce evidence that you met the conditions for the reduction throughout the backdating period.

The local authority may visit the dwelling or request supporting evidence from a doctor, social worker or other professional that the adaptation to the property is appropriate for the disabled person.

Note: You may need to **renew** the application at the start of each financial year and/or the local authority may require confirmation that there have been no changes in your circumstances.

8 Council Tax discounts – the 25% ‘single person discount’

The full Council Tax assumes there are *two or more* people living in each dwelling.

Therefore, the Council Tax rules offer a standard discount for any person who lives alone. This is often referred to as the ‘single person discount’ and allows the person 25% off the full Council Tax bill.

The single person discount is *not* means tested.

9 Council Tax discounts – circumstances where a discount may apply, even though more than one person lives at the property

A discount may apply where there is more than one adult in a household, **but only one counts as resident for Council Tax purposes** (in these circumstances people are sometimes described as being ‘invisible’ for Council Tax). The rules for this are explained below:

9.1 How many people count for Council Tax?

To work out if you qualify for a discount, the first thing to do is to count up the number of people resident in your property for Council Tax purposes, *leaving out:*

- Anyone who has a **severe mental impairment**. To qualify, a doctor has to provide a certificate confirming that the person has a severe mental impairment. The cause of this is not important – it could be impairment from birth (such as a learning disability), or due to a condition such as Alzheimer’s disease. However, people will *not* be exempt because they have a physical disability. The person must also be entitled to – although not necessarily *receiving* – certain disability related benefits (see the ‘*Note*’ at the end of this section for details).
- Any **carer** who, for at least 35 hours a week, is looking after someone in the same household *and is not the partner of the person being cared for* (or the parent of the person cared for, if that person is a child under the age of 18). These rules can apply to carers who are working and/or are over State Pension age; also, more than one carer can be disregarded for Council Tax purposes, as long as they meet the conditions. *However*, the cared for person will **also** need to be receiving certain disability related benefits (see the ‘*Note*’ below for details).
- Anyone whose sole or main residence is somewhere else.
- Some care workers who are **volunteers** and have accommodation provided on the premises.
- Anyone aged under 18.
- Anyone for whom Child Benefit is payable and recent school/college leavers under the age of 20.
- Full-time students, student nurses, certain apprentices and certain trainees.
- Anyone who is a young ‘care leaver’ (a vulnerable young person aged 18-24 who has previously been looked after by the local authority).

Note:

In relation to the first bullet point above about people with **‘severe mental impairment’**, the relevant disability related benefits that they should be entitled to include:

Attendance Allowance (AA); the highest or middle rate care component of Disability Living Allowance (DLA); either rate (‘Standard’ or ‘Enhanced’) of the daily living component part of the Personal Independence Payment (PIP); Severe Disablement Allowance; Incapacity Benefit; Employment and Support Allowance; Income Support or income-based Jobseeker’s Allowance (with a disability premium); or Working Tax Credit (with a disability element).

In regard to the second bullet point about carers, **the benefits that the cared for person will need to be receiving are:**

Attendance Allowance (AA); the middle/highest rate of the care component of DLA; either rate of PIP daily living component; an Armed Forces Independence Payment; or the highest rate of Constant Attendance Allowance.

9.2 The amount you will receive as a discount

Once you have worked out how many people count as living in your property, the following discounts will apply:

- A discount of one quarter (25%), if only one person counts as resident (i.e. equivalent to the single person discount).
- A discount of up to one half (50%) if no one is counted as resident (but remember you can get a total exemption if no one counts as resident in your dwelling because all the residents are severely mentally impaired or students – see section 6.2).

The rules on discounts are separate from the rules on liability. This means that there can be situations where a person who is invisible for Council Tax is still liable to pay the Council Tax bill.

Examples:

Betty and Harold are married and no one else lives with them. Harold has Alzheimer's disease and receives Attendance Allowance (AA). His doctor signs a form to say that he is 'severely mentally impaired'. Harold becomes 'invisible' for Council Tax purposes and Betty is now the only person in the property who counts for Council Tax. Therefore, a **25%** discount is given.

Jenny has Alzheimer's disease and gets the higher rate of AA. Her son lives with her and looks after her for at least 35 hours a week. Jenny is 'invisible' for Council Tax purposes because she is severely mentally impaired. Her son is *also* 'invisible' for Council Tax because he can be discounted due to being Jenny's carer. No one in the household counts for Council Tax and a **50%** discount is given. Jenny remains liable to pay the remaining amount, because she is the sole owner of the property.

9.3 Discretionary discounts or reductions

Local authorities can make other discounts available in their area for categories of property or categories of residents. It is possible that discounts may be available because of hardship or a natural disaster. You could check with your local authority whether any extra discounts are available where you live.

9.4 Making an application for a Council Tax discount

You will need to contact your local authority to apply for a discount. There may be specific forms to apply for some types of discount.

A discount can be backdated to the date it should have first applied, but you may need to **provide proof** that you have qualified for the discount throughout the backdating period.

Note: Changes in circumstances

It is your responsibility to tell the local authority of changes in your circumstances that might mean you are no longer entitled to a discount. The authority can impose a fine if you do not inform them of a relevant change.

10 Premiums, rather than discounts, may be levied on 'long-term' empty properties³, or second homes/holiday homes⁴

10.1 Background – discounts were previously more likely in these instances, but now a premium may be applicable

- As mentioned above in section 6.1, a dwelling that is unoccupied and unfurnished may be exempt from Council Tax for up to six months. After this period, local authorities can offer an empty homes Council Tax discount of *up to 50%*⁵. **However**, since April 2017, if the property remains empty on a 'long-term' basis, a **premium** may start to be charged instead – see below.
- A local authority also has the discretion to set a Council Tax discount on a second home or a holiday home in its area⁶; **however**, it may also decide to charge a premium depending on circumstances – see below for further information.

³ For the purposes of charging a premium “a long-term empty dwelling is defined as a dwelling which is both unoccupied and substantially unfurnished for a continuous period of at least one year” – Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales, Welsh Government, January 2016. A copy of the guidance can be accessed at: www.gov.wales/council-tax-empty-and-second-homes

⁴ “A second home is defined as a dwelling which is not a person’s sole or main home and is substantially furnished” – Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales, Welsh Government, January 2016.

⁵ Individual local authorities can set the level of discount that they will offer in their area.

⁶ Each local authority should publish information on how it has decided to apply this discount.

Note: Council Tax premiums will **not** override existing Council Tax *exemptions* (as outlined above in section 6 of this factsheet) – for example, the exemption for an unoccupied home where the resident is in long-term residential care or hospital. The Welsh Government’s guidance advises that:

“a dwelling that is exempt from council tax is not liable for a premium. However, where a dwelling [due to a change of circumstances] becomes no longer eligible for an exemption, but remains unoccupied, it [may] become liable for the premium”⁷.

10.2 Council Tax rules for ‘long-term’ empty properties and second homes/holiday homes in Wales

As a result of the *Housing (Wales) Act 2014*, since April 2017, local authorities in Wales have been able “to charge a **premium** of up to 100% of the standard rate of council tax on long-term empty homes and second homes in their areas”⁸ (emphasis added).

Charging a premium is a discretionary power

Whilst the *Housing (Wales) Act 2014* amended previous legislation to enable local authorities “to disapply any discount [previously] granted” to long-term empty homes or second homes, each individual local authority can choose:

- not to use this power at all;
- charge a premium on empty properties, but not second homes (or vice versa); and
- where they do decide to operate a premium, authorities “have discretion to decide on the amount...up to [the] maximum of 100% of the standard rate of council tax that applies to the dwelling”⁹.

⁷ Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales, Welsh Government, January 2016

⁸ Ibid

⁹ Ibid

The purpose of the measures

The Welsh Government has stated that the intention behind these measures is to assist local authorities to “bring empty homes back into use; to increase the supply of affordable housing and to enhance the sustainability of local communities”¹⁰. Further guidance is provided to local authorities, as follows:

“In considering whether or not to charge a premium, regard should be given [to] the particular housing need and circumstances in their area. There are a range of factors which could help inform local authorities in deciding whether to charge a premium [including] numbers and percentages of long-term empty homes or second homes in the area; distribution of [these types of] homes and other housing throughout the authority...potential impact on local economies and the tourism industry [and] patterns of demand for, and availability of, affordable homes”¹¹.

Authorities who decide to charge premiums are encouraged “to use any additional revenue generated to help meet local housing needs”¹².

Local authority discretion to reduce council tax liability in circumstances where a premium would normally be charged

Welsh Government guidance provides the following examples of where a local authority should consider not imposing a premium (this is not an exhaustive list and authorities should look at cases individually and consider all relevant factors):

- “where there are reasons why the dwelling could not be lived in [and/or] be sold or let”;
- “where an offer has been accepted on a property but the sale has not yet been completed”;
- “where charging a premium might cause hardship”¹³.

¹⁰ Ibid

¹¹ Ibid

¹² Ibid

¹³ Ibid

11 **Appealing a decision by your local authority in regard to applications for a Council Tax exemption; Disability reduction; Council Tax discount; or a decision by the authority to impose a premium**

You have the right to appeal a decision if the local authority refuses your application for any of the following (which are outlined above in sections 6 to 10):

- A Council Tax exemption;
- a Disability reduction;
- a Council Tax discount; *or*
- a decision by the authority to impose a premium.

Firstly you should appeal to the local authority that made the decision. If the appeal is unsuccessful, but you still feel you have a good case against the authority, then you can make a further appeal to the Valuation Tribunal for Wales.

The Valuation Tribunal can also be contacted if the local authority fails to respond to your appeal to them within two months.

Note: A local advice agency may be able to help you with an appeal – see section 17 for useful organisations.

12 **Your Council Tax bill**

Local authorities should send out a Council Tax bill every year to every dwelling. Bills are usually sent out in March with the first payment due in April.

Your Council Tax bill should show the full amount of Council Tax for the dwelling according to its valuation band for the whole year, and then show any disability reduction, discount, discretionary reduction and/or help received from your local authority's Council Tax Reduction Scheme (see sections 14 to 16 below for further information on Council Tax Reduction Schemes). The local authority will assume that you will remain eligible for any reductions, discounts or help from their Council Tax Reduction Scheme (CTRS) for the whole of the financial year.

You should be sent a new bill if your chargeable amount changes – for example, if you become entitled to a discount or a different amount from the CTRS.

Most people have the right to pay their Council Tax in instalments (the usual arrangement is ten monthly instalments, but there are sometimes different arrangements). Your bill should include the instalment arrangements and the different ways you can pay the bill.

If you overpay your Council Tax or an adjustment puts your bill in credit it is usually possible to get a refund.

13 What happens if you do not pay your Council Tax?

If you are liable for Council Tax, it is important to make it a priority for payment because non-payment can lead to serious consequences.

If you do not pay a Council Tax instalment on time you will receive a reminder requiring payment within seven days. If you still fail to pay, the Council can demand that you pay the full amount for the year and apply to a Magistrate's Court for a liability order. If this happens you may become liable for costs in addition to your Council Tax. There are different ways of enforcing a liability order, such as a direct deduction from wages or benefits, or seizure of your possessions by bailiffs.

Action: If you have fallen behind with your Council Tax bill, seek advice from an independent advice agency as soon as possible.

For example, your local Age Cymru organisation or Citizens Advice Bureau may be able to assist. Details of how to obtain their contact details can be found in section 17 below.

Also see Age UK's Factsheet 75 *Debt advice*.

14 Council Tax Reduction Schemes (CTRS) – background information

Note: If you receive Pension Credit Guarantee Credit (PCGC)

If you get PCGC you are likely to qualify for the whole of your Council Tax bill to be covered by your local authority's Council Tax Reduction Scheme (though there can sometimes be exceptions – see section 15 below).

Guarantee Credit is part of Pension Credit – a benefit designed to ensure that people over State Pension age have a guaranteed minimum level of income. See Age UK's Factsheet 48 *Pension Credit* for more detailed information on the Pension Credit system.

Council Tax Reduction Schemes replaced Council Tax Benefit (CTB) in Wales from April 2013. All existing claimants were transferred automatically onto the new Council Tax Reduction Schemes. The old CTB was a social security benefit that provided help with Council Tax bills for people on low incomes. CTB was abolished as part of the UK Government's Welfare Reform Act 2012, with responsibility for developing replacement arrangements being devolved to the Welsh Government.

Although the Welsh Government decided that each local authority would need to implement its own replacement scheme to offer support with Council Tax bills for people on low incomes, **in practical terms the schemes are broadly the same throughout Wales**. This is because the Welsh Government has specified a large amount of uniform eligibility criteria requirements that all authorities should include in their schemes¹⁴.

14.1 CTRS eligibility criteria (applicable in all local authorities in Wales)

Rules based on where you live

- You can make a CTRS claim whether you own your own home, or are a tenant in a rented property.
- However, the property will need to be your sole or main residence in order to make a claim. You will also need to be liable for the Council Tax bill (section 3 has further information on the rules on liability).
- You must be habitually resident in the UK and not excluded from claiming because of your immigration status.

Rules based on who you live with

- If you have a partner¹⁵, the amount of help you get will be worked out on your **combined** savings and income. As such, only one of you needs to submit a claim form on behalf of both of you.

¹⁴ The areas where the Welsh Government's regulations allow authorities to exercise discretion are: *Backdating of entitlement* – entitlement to a local authority's Council Tax Reduction Scheme can be backdated for up to 3 months where a late claim is made. However, a local authority may extend this period in their scheme for up to 6 months for working age applicants; *Help for War Pensioners* – The Welsh Government states that schemes should allow £10 per week of any income someone receives from a War Widows Pension or War Disablement Pension to be disregarded in the means test. However, authorities are able to disregard a greater amount, or all, income from these type of pensions if they choose to; *Benefit 'run-on'* – This involves extra help for people starting work.

¹⁵ A 'partner' is the person you are married to (or living with as if you were married), or your civil partner (or the person with whom you are living as if you are civil partners).

Note: It is up to you to decide who should make the application, though bear in mind that the claimant's own circumstances may affect the CTRS calculation. For example, with couples the Council Tax reduction may be higher if one partner is the applicant than if the other applies. This could be the case where one person has reached State Pension age, but the other hasn't, or if one of the couple may be eligible for a premium (see section 15.5 below for more information on premiums).

If you are in a couple and you are unsure which one of you should make the claim, you could discuss this with a local advice organisation – see section 17.

- If you live with someone who is **not** your partner – such as a friend or brother or sister – and you have a **joint tenancy** and joint liability for Council Tax, you are assessed separately and both of you could make a CTRS application. Similarly, if you jointly own your home with someone who is not your partner and you have a joint liability for Council Tax, you can both apply.
- If you live with someone who is **not** your partner, and one of you has a **sole tenancy** and/or sole liability for the Council Tax, only that person can make a CTRS application. The other person will be treated as a non-dependant (see section 15.2 below).

Income and capital

Entitlement to the CTRS is means tested – that is, based on your income and capital (for example, money held in savings accounts).

Sections 15.3 and 15.4 have further information on what types of income and capital are included in the CTRS calculation.

In general, you must have no more than **£16,000** in capital – anything over this amount will mean that you are **not** eligible for help from the CTRS (*though it doesn't apply if you receive the Guarantee Credit part of Pension Credit – see the 'Note' at the beginning of this section*).

Earnings

You may be able to receive some help from the CTRS if you are working, though most of your earnings will be taken into account – see section 15.4.

CTRS and other benefits

You may find it helpful to read Age UK's Factsheet 48 *Pension Credit* in conjunction with the sections of this factsheet regarding the CTRS, as references are made to Pension Credit and how entitlement to this may affect CTRS entitlement.

Also, if you think you may be eligible for help from the CTRS, you may wish to check whether there are any other benefits that you might qualify for. Age Cymru's information guide, *'More money in your pocket: A guide to claiming benefits for people over state pension age'*, may be helpful.

Contact Age Cymru Advice to order Age Cymru or Age UK publications – see section 17 for contact details.

15 Calculating Council Tax Reduction Scheme (CTRS) entitlement for people over State Pension age

The CTRS entitlement calculation, explained below in sections 15.1 to 15.6, is set out in **6 steps**, as follows:

- **What is your total Council Tax bill?**
- **Make any necessary deductions for non-dependants living with you;**
- **Calculate your capital;**
- **Calculate your income;**
- **Work out your applicable amount;**
- **Calculate your benefit.**

However, before moving onto these sections, you may wish to take note of the following points:

CTRS rules for people over State Pension age

As indicated in the heading to this section, the information below is based on the eligibility criteria as they apply for people who are over State Pension age (the information is also applicable across all local authority areas in Wales).

Qualifying age for State Pension

State Pension age is currently 66 for both men and women¹⁶.

Mixed age couples

If you are a couple, but only *one* of you has reached the State Pension age, the information in this section will apply, provided the CTRS application is being made by the person who has reached State Pension age *and* neither you, nor your partner is receiving:

- Income Support;
- Income-based Jobseeker's Allowance (JSA);
- Income-related Employment and Support Allowance (ESA); *or*
- Universal Credit.

If the above does not apply, then your CTRS application would be processed using rules for working age people. For further advice on these rules, you can contact an advice organisation, such as your local Citizens Advice Bureau (CAB) – see section 17 for contact details.

If you receive Pension Credit Guarantee Credit (PCGC)

As noted at the beginning of section 14 above, **if you get PCGC you are likely to qualify for the whole of your Council Tax bill to be covered by your local authority's Council Tax Reduction Scheme, though there can sometimes be exceptions. For example, if any other adults live with you and are considered able to contribute towards the bill – i.e. they are non-dependants – see section 15.2 below.**

¹⁶ In the future it is due to increase further, though this won't start until May 2026. Age UK's Factsheet 19 *State Pension* has further information on the schedule for ongoing increases in the State Pension age, or you can look on the GOV.UK website at: www.gov.uk/state-pension-age

15.1 Step 1: What is your total Council Tax bill?

There are currently no restrictions on the proportion of someone's Council Tax bill which can be included in the CTRS calculation – that is, as a starting point in making a calculation, the figure for the **whole** of your bill should be used.

However, bear in mind this will be the total bill after any discounts or other deductions have been taken off. For example, if you live alone, you can claim the 25% discount on your bill and any further help from the CTRS will be worked out using the total bill minus this discount.

Using the relevant figure for your total bill, you would then need to follow steps 2 to 6 outlined below to work out how much help from the CTRS you are likely to get.

Note: For the CTRS calculation, a weekly figure for Council Tax is used, regardless of how often it is actually paid. Therefore, if you pay your Council Tax in 10 monthly instalments you will need to work out the weekly amount. To do this, add up the total figure for all the monthly instalments, then divide that by 52.

For example, say you pay £100 by direct debit for 10 months of the year, multiplied by 10 this would be £1,000 for the whole year. Then £1,000 divided by 52 would come to £19.23, which would be the weekly amount.

15.2 Step 2: Make any necessary deductions for non-dependants living with you

A deduction may be made to the amount you receive from the CTRS if you have someone living with you other than your partner or dependent children (except in certain circumstances – see below).

The reason non-dependant deductions are made is because the government assumes that someone living with you – such as an adult son or daughter – will contribute towards household bills, including your Council Tax. The sums deducted are fixed regardless of how much the person actually contributes, though they are based on their income.

If you have more than one non-dependant there is a deduction for each of them, but only one deduction is made for a couple who are non-dependants¹⁷.

Changes in your circumstances due to the arrival of a non-dependant (or a change in circumstances of an existing non-dependant) that would increase the non-dependant deduction to be made in your CTRS calculation (and thus reduce the help you get from the CTRS) will affect your CTRS entitlement straight away, from the day of the change.

Exceptions to non-dependent deductions

A non-dependant deduction will **not** be applied if:

- you (or your partner) are blind; or
- you receive either Attendance Allowance; the care component of Disability Living Allowance; or the daily living component of the Personal Independence Payment.

A non-dependent deduction will *also* **not** be made where the non-dependant is:

- a joint owner or joint tenant with you;
- a boarder, sub-tenant or resident landlord;
- receiving Pension Credit, Income Support, income-based Jobseeker's Allowance, or income-related Employment and Support Allowance;
- a full-time student;
- aged under 18;
- someone employed by a charitable or voluntary organisation as a resident carer for you or your partner and who you pay for that service;
- staying with you temporarily, but normally lives elsewhere;
- someone who has been in hospital for more than 52 weeks;
- someone who is disregarded under the discount rules for Council Tax (see section 9 above).

¹⁷ The deduction for a couple is the highest that would have been made if they were treated as individuals, but based on their joint income.

Where a non-dependant deduction has to be made, the fixed amounts that will be deducted are:

Non-dependant's circumstances – hours of paid work and gross income received in an average week Note: <i>Any income they receive from Attendance Allowance, Disability Living Allowance, Personal Independence Payment or the Armed Forces Independence Payment should be disregarded by the local authority.</i>	Weekly deduction used in the CTRS calculation
Less than 16 hours (whatever the income)	£5.10
16 or more hours; earnings of less than £217	£5.10
16 or more hours; earnings between £217 and £376.99	£10.20
16 or more hours; earnings between £377.00 and £468.99	£12.85
16 or more hours; earnings of £469.00 or more	£15.35

If a non-dependant deduction is going to affect you, subtract the relevant figure in the table above from your total weekly Council Tax bill (as worked out in 'Step 1').

15.3 Step 3: Calculate your capital

Note: You can stop here if you (or your partner) are receiving the Guarantee Credit part of Pension Credit (PCGC).

As indicated in the factsheet above, PCGC acts as a passport to maximum CTRS support. As such, all of your capital is ignored – you only need to read steps 1 and 2 above to work out your entitlement.

The term 'capital' refers to all forms of savings (including any money you have saved from your benefits), lump sum payments, investments, land and property. Some forms of capital are not counted.

Over £16,000 in capital

If you do *not* receive Pension Credit Guarantee Credit, you cannot receive any help from the CTRS if you have more than **£16,000** capital¹⁸.

Capital under £10,000

If your capital is *under* £10,000, it is ignored completely.

Capital between £10,000 and £16,000

If you have capital between these amounts, you may still qualify for help, but the capital will affect how much you receive, as follows:

For each £500 (*or part of £500*) over £10,000 which you have, for the purposes of the CTRS calculation you will be counted as having an extra £1 per week of income. This is referred to as an 'assumed', or 'tariff', income.

For example, if you have £12,200 savings, a weekly assumed income of £5 is added to the rest of your income for the CTRS calculation.

¹⁸ If you have a partner, their capital is added to yours. The same limits apply for both single people and couples (i.e. the capital limit would not be £32,000 if you are a couple – it will still be £16,000). Any capital you own jointly with other people (other than your partner) is normally divided equally between the joint owners. For example, if you and your son have a joint bank account of £10,000, you would normally be assessed as each owning £5,000.

Capital taken into account and counted in full for the CTRS calculation includes the following:

- cash;
- money in all types of bank or building society accounts, including current accounts;
- fixed-term investments including National Savings accounts and certificates (there are special rules for valuing these);
- stocks and shares;
- premium bonds;
- your share of any capital you own jointly with another person (unless the other person is your partner in which case the whole of the capital counts).

Capital that is not counted includes:

- the value of a home you own and are living in;
- in certain specific circumstances, the value of a property you own, but are not living in – for example, if you are taking steps to sell it, or a close relative who is over State Pension age or incapacitated lives there (get advice about when, and for how long, a property that is not your home can be ignored);
- the surrender value of any life insurance policies, including where life insurance is not the only aspect of the policy, if the policy states how payment on death is worked out (although, if a policy is cashed in, the money you receive is normally counted as part of your capital);
- personal possessions such as jewellery, furniture or a car.

Note: Deprivation of capital (notional capital)

If you deprive yourself of capital in order to qualify under the CTRS, or to increase the amount of benefit you get, the local authority can treat you as still having that capital. This is known as 'notional capital'. This might occur if you give money away to members of your family or buy expensive items in order to qualify for a benefit.

However, you have not deprived yourself of capital if you have paid off debts or used money on 'reasonable' spending on goods and services.

15.4 Step 4: Calculate your income

Income includes most regular payments you receive. All income is assessed after deductions for tax and national insurance contributions.

The way the local authority looks at your income for the CTRS calculation depends on whether or not you receive Pension Credit (as noted in a couple of sections above, if you – or your partner – are getting the Guarantee Credit part of Pension Credit you are generally entitled to maximum help from the CTRS. As such, the local authority will not examine your income).

If you receive only the Savings Credit element of Pension Credit

If you are receiving only the Savings Credit part of Pension Credit *without* any Guarantee Credit, the Pension Service will give the local authority your assessed income figure. This is the income figure calculated for your Pension Credit claim. The local authority will adjust this figure and use it to work out your CTRS without looking at your income any further¹⁹.

If you do not get Pension Credit, your income is calculated as follows²⁰:

¹⁹ The main adjustment they make is to add in the amount of your Savings Credit, but there are some other adjustments for particular groups including working lone parents or war pensioners. If you work out your income using the information in this section on income that is taken into account, completely ignored, or partly ignored, you should usually come to the same figure. If you think the assessed income figure used in your CTRS claim is wrong, you should query it with your local authority and/or the Pension Service.

²⁰ These are not exhaustive lists.

Income that is taken into account includes:	Income that is completely ignored includes:	Some types of weekly income are partially ignored, including:
All types of pension; income from annuities.	Attendance Allowance; Disability Living Allowance; and Personal Independence Payment.	£5 of earnings from work if you are single; £10 of earnings from work if you have a partner.
Earnings (though a small amount may be partially ignored – see the column on the right hand side of this table).	Payments from the UK Government’s Social Fund scheme or the Welsh Government’s Discretionary Assistance Fund.	£20 of earnings in special circumstances – for example if you or your partner are a carer or receive certain disability or incapacity benefits, or are registered blind/severely sight impaired ²¹ .
Most social security benefits.	Child Benefit; Child Tax Credit; Guardian’s Allowance; any increases for child dependants paid on your benefits.	£10 (or more at the local authority’s discretion) of any War Widow’s, Widower’s or surviving civil partner’s Pension or a War Disablement Pension ²² .

²¹ There are also some other earnings disregards and allowances if you are working, including allowances for childcare costs.

²² According to the Welsh Government’s ‘Council Tax Reduction Scheme: Annual Report 2019-20’ (July 2020), in their CTRS schemes for 2019-20 “all authorities chose to disregard War Pensions in full when calculating income, above the statutorily prescribed £10 received in respect of war pensions”.

Assumed income from capital (as described in 'Step 3' above).	Voluntary or charitable payments (for example, payments from a friend or relative).	£15 of Widowed Mother's Allowance or Widowed Parent's Allowance.
Income from boarders or sub-tenants who live in the same property as you. (though a small amount can be partially ignored – see the right hand side column of this table).	Actual income from capital/savings (only the assumed income is counted, as described in 'Step 3' – but interest that has been paid into an account is counted as part of your capital).	£20 of the payment from each sub-tenant or boarder (lodger) in your own home, plus in the case of boarders (lodgers), half of any payment made above £20.
Income from property held in trust (although some types of trust are disregarded; seek further advice in this situation).	Mobility supplement under the War Pensions Scheme.	
Regular payments received as part of an equity release scheme.		

Your total income for the CTRS calculation

To work out your income for the CTRS calculation, decide what bits of your income will be ignored, then add up all the rest (including any amount of 'assumed income' from your capital, as described in 'Step 3').

15.5 **Step 5: Work out your applicable amount**

To work out your entitlement from the CTRS, your local authority will need to determine what your '**applicable amount**' is.

For many people the applicable amount is a *standard personal allowance* which is set by the government. However, there are also extra amounts known as *premiums* for people in particular circumstances, such as some disabled people and carers.

The figure for your applicable amount will be compared with your income figure from ‘Step 4’.

The standard personal allowances

The standard personal allowance rate depends on if you are single or a couple and when you reached State Pension age (SPA)²³ (the figures given below are all weekly amounts):

Single and reached SPA before 1 April 2021	£191.15
Single and reached SPA on or after 1 April 2021	£177.10
Couple and one or both reached SPA before 1 April 2021	£286.05
Couple and both reached SPA on or after 1 April 2021	£270.30

²³ As noted at the beginning of section 15 above, State Pension age is currently 66 for both men and women (in the future it is due to increase further, though this won't start until May 2026). Previously, there were just two standard personal allowance figures (one for single people; another for couples). The explanation for the new different rates, depending on whether you reached SPA before 1 April 2021, can be found in an explanatory memorandum for the *Housing Benefit (Persons who have attained the qualifying age for state pension credit) (Amendment) Regulations 2021* (it should be noted that though these regulations relate to Housing Benefit and not the CTRS schemes, a Welsh Government memorandum covering the *Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2021* confirms the following: “Personal allowances [for CTRS] in relation to pensioners – The financial figures in respect of pensioner rates have been amended and are aligned with Housing Benefit”).

The Housing Benefit explanatory memorandum advises that: “the personal allowance rates used to assess entitlement to Housing Benefit for people over State Pension age currently incorporate an amount equivalent to the savings credit element in PC. The savings credit element was abolished for people reaching State Pension age from 6 April 2016 when the new State Pension was introduced, but it was decided to retain the higher personal allowances in HB for a further five years. This instrument makes the changes needed to reflect that decision by introducing new personal allowance rates for people reaching State Pension age on or after 1 April 2021 that do not include the savings credit element”.

Premiums

Disabled people and carers may qualify for a premium as part of their applicable amount. If so, it will be **added** on to their standard personal allowance²⁴. The premiums are outlined in the table which follows overleaf.

Notes in relation to the table:

The benefit, Carer's Allowance (CA), is mentioned in the table. This is a benefit paid to people caring for a disabled person for at least 35 hours a week. People cannot normally receive both CA and State Pension because of overlapping benefit rules. Therefore, in this situation someone who would otherwise qualify for CA can be awarded an '**underlying entitlement**' instead. They won't be paid any CA, but the underlying entitlement means they can qualify for higher rates of certain means-tested benefits (also see Age UK's Factsheet 55 *Carer's Allowance* for further information).

The table includes a reference to people who can be treated as living alone for the purposes of certain benefits, even if they share their home with another person. The following can be ignored when deciding if you are living alone, for the purposes of the CTRS:

- anyone receiving Attendance Allowance;
 - anyone receiving the middle or highest rate of Disability Living Allowance care component;
 - anyone receiving either rate of the daily living component of Personal Independence Payment;
 - anyone who is registered blind or severely sight-impaired;
 - any child or young person who is under 18 or for whom Child Benefit is being paid;
 - anyone who is not a close relative and is a joint tenant or co-owner with you; or
 - some live-in helpers.
-

²⁴ Households with dependent children may also qualify for additional premiums

Severe disability premium

This premium can be included in your applicable amount if:

- you get Attendance Allowance (AA) / the middle or highest rate of Disability Living Allowance (DLA) care component / either rate of the daily living component of Personal Independence Payment (PIP); **and**
- no one is *paid* Carer's Allowance (CA) for looking after you (although it doesn't matter if someone has 'underlying entitlement' to CA); **and**
- you live alone (or can be *treated* as 'living alone').

If you qualify for the severe disability premium, the following extra amounts are included in your 'applicable amount':

- If you are *single*, an extra **£67.30 per week** is included in your applicable amount.
- If you have a *partner* and you **both** receive AA (or the middle or highest rate of DLA care component, or the PIP daily living component), **and** no one else counts as living with you, **and** neither of you has a carer receiving CA, a double rate of **£134.60 per week** is included in your applicable amount²⁵.
- If you have a *partner* and you **both** receive AA (or the middle or highest rate of DLA care component, or the PIP daily living component), but one of you has a carer who is **actually paid** CA, the 'single rate' of **£67.30** is included.

²⁵ If you have a partner, but only one of you gets AA (or the middle or highest rate of DLA care component, or the PIP daily living component), you cannot get the severe disability premium. This is a complex area of law – if you need further information about whether you qualify for the severe disability premium, contact Age Cymru Advice (see section 17 for details).

<p>Carer's premium</p>	<p>The carer's premium should be included if you or your partner:</p> <ul style="list-style-type: none"> ● are receiving Carer's Allowance (CA); or ● have claimed CA and fulfil the conditions, but cannot be paid it because you are getting your State Pension or another benefit instead. In this case you have an 'underlying entitlement' to CA. <p>If you qualify for the carer's premium, the following extra amounts are included in your 'applicable amount':</p> <ul style="list-style-type: none"> ● If you are <i>single</i>, an extra £37.70 per week is included in your applicable amount. ● If you have a <i>partner</i> and you <i>both</i> qualify for the carer premium, an extra £75.40 per week is added. ● If you have a <i>partner</i>, but only <i>one</i> of you is a carer the 'single rate' (£37.70) will be included.
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Note: It is possible to receive both the carer and severe disability premiums – for example a disabled couple who provide a substantial amount of care for each other could receive the double rate of both.

15.6 Step 6: Calculate your benefit

Once you have worked out your applicable amount, compare this figure with the income figure you worked out in steps 3 and 4.

● **If your income is the same as, or less than, your applicable amount:**

You will get the maximum amount of help from the CTRS that you worked out in steps 1 and 2 (i.e. your **whole** Council Tax bill will be covered, or the whole bill **minus** any relevant non-dependant deductions).

Note: If you are not already receiving Pension Credit you may be entitled to it and so you should consider applying.

● **If your income is more than your applicable amount:**

The maximum benefit you can get (i.e. the figure worked out from steps 1 and 2) is reduced by a 'taper adjustment'.

Firstly, work out the difference between your income and your applicable amount. Then, work out 20% of the 'difference' figure.

For example, say your applicable amount is £191.15, but your income is £198.00. **The difference figure will be £6.85** (£198.00 - £191.15).

20% of £6.85 will be £1.37. You would then need to take £1.37 from the figure you worked out in steps 1 and 2. The result of this is the amount of help you will receive from the CTRS, calculated on a weekly basis.

Note: Another way of explaining the calculation is to say that your CTRS benefit is reduced by 20p for every £1 that your income is more than your applicable amount.

Your local authority will use the weekly figure from the calculation, convert it to a daily figure (by dividing it by seven) and then an annual amount (by multiplying it by 365). The annual amount of the Council Tax Reduction is then deducted from your annual Council Tax bill.

Example

Jackie is aged 80 and lives alone in her own home. She pays her Council Tax (CT) bill in 10 monthly instalments and receives a 25% discount on her total bill as she is the sole occupier in her property. Overall, her annual CT bill would have been £1190.50, but with the 25% discount she has to pay **£892.87**.

Her State Pension is £137.60 a week and she has an occupational pension of £81 per week. She has savings of £12,500:

Step 1	Total Council Tax bill	=	£17.17 per week (i.e. bill for the year is £892.87, paid in 10 monthly instalments of £89.28. 892.87 divided by 52 gives the weekly figure above)
Step 2	Non-dependant deductions	=	£0 (there are none as Jackie lives alone), <u>so</u>
Maximum Council Tax eligible for help through CTRS		=	£17.17 per week

Step 3	Capital – Jackie has £12,500	=	‘Assumed’ income of extra £5 per week (i.e. for each £500 (or part of £500) over £10,000 which you have, you will be counted as having an extra £1 per week of income for the CTRS calculation)
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Step 4	Income	=	£223.60 per week (i.e. Jackie's State Pension, occupational pension and assumed income from savings added together)
Step 5	Applicable amount		£191.15 per week (i.e. Jackie's applicable amount is the standard 'personal allowance' for a single person who reached State Pension age before 1 April 2021. She does not qualify for any of the extra 'premiums').
Step 6	Calculation – income is more than applicable amount, <u>so</u>:		
	Difference	=	£32.45 per week (i.e. £223.60 minus £191.15)
	20% of the 'difference' figure (i.e. 20% of £32.45).	=	£6.49 per week

Result		
£17.17 (maximum Council Tax eligible for help through CTRS) minus £6.49 (20% of the difference figure between income and the applicable amount).	=	£10.68 per week of entitlement from the CTRS

Note: The annual amount that Jackie will get taken from her bill through her CTRS award will be £558.45 (i.e. $£10.68 \div 7 = 1.53$; then $1.53 \times 365 = 558.45$).

So from Jackie's original annual Council Tax bill of £1190.50, she receives the 25% discount as the sole occupier of her property. This reduces the annual bill to **£892.87**

Her annual CTRS award is **£558.45**, so the total annual Council Tax she will have to pay will be **£334.42** (i.e. $892.87 - 558.45$).

16 Other issues in regard to claiming assistance from the Council Tax Reduction Scheme (CTRS)

16.1 How to make a claim?

You can make a CTRS claim using an application form which your local authority can provide you. Some local authorities may also allow you to claim online or by telephone.

Note: If you think you may be eligible for Pension Credit you will need to contact the national Pension Service (see section 17 for contact details), rather than your local authority. Pension Service staff should also advise people about help with Council Tax and other relevant benefits (for example, Housing Benefit, if you rent your home) when they are making a Pension Credit enquiry. The Pension Service may be able to send information about your claim directly to your local authority so that they can work out your CTRS entitlement. Alternatively, the Pension Service should advise you to contact your local authority directly.

A local advice agency, such as your local Age Cymru or Citizens Advice Bureau, may be able to assist you to find out if you qualify and help you make an application for the CTRS – see section 17 for contact details. An appointee can claim on your behalf if you are not able to claim yourself.

16.2 If you disagree with a CTRS decision

You can ask for the decision to be reconsidered or make an appeal, if the result of your application is either:

- that you are not eligible for help from the CTRS; or
- that you are awarded some benefit, but you think the amount is incorrect.

Initially you should write to the local authority and explain what you think is incorrect – you should do this within one month of the date you were sent the decision. The authority should consider your appeal and send you an official response in writing.

If you remain unsatisfied with the local authority's response, you can take your appeal further to the Valuation Tribunal for Wales (VTW) – see section 17 for contact details. The VTW is independent from the local authorities in Wales.

Note: You can find further information on the process to follow when taking a case to the VTW on their website at:

www.valuationtribunal.wales/council-tax-reduction.html

You may also wish to seek the support of a local advice organisation to appeal a decision – see section 17 for contact details.

16.3 Changes of circumstances

Your local authority should tell you which changes you need to report.

If you are in doubt, tell them anyway to make sure you do not have to repay money or get less benefit than you are entitled to.

If there are any changes which you could reasonably be expected to know might affect CTRS entitlement you must inform the local authority as soon as possible and definitely within 21 days.

Note: The Pension Service should inform the local authority of relevant changes in your circumstances that they are made aware of. Therefore, if you receive Pension Credit (PC), for example, and this stops for any reason, the Pension Service should inform the local authority and your help from the CTRS may also come to an end.

However, you might still qualify for some CTRS assistance (at a reduced amount) and so can make a new claim to your local authority, requesting backdating to the date PC stopped.

16.4 Overpayments

An overpayment might occur if the local authority made a mistake on your claim, or if you did not tell them about a change in your circumstances that would have reduced your benefit.

The local authority is entitled to recover an overpayment from you, *unless* the overpayment is the result of an ‘official error’ – see below.

Note: Even if the local authority can recover the benefit, it does have some discretion about whether to do so. For example, a permanent ‘write-off’ might be considered where someone is seriously ill, is in severe financial hardship, or has a learning disability. The authority should consider each case individually.

Overpayments caused by ‘official error’

An overpayment will be classified as having been caused by an official error if it has been caused by a mistake of an officer acting for the local authority **and** where none of the following has contributed to the mistake:

- the claimant;
- any other person to whom payment has been made; or
- a person acting on the claimant’s behalf.

You cannot normally be required to repay a CTRS overpayment caused by an official error, **as long as you could not reasonably be expected to have known that you were being overpaid at the time** (for example, if the weekly amount of an overpayment was very small, someone may be able to argue that it is not unreasonable for them to not have noticed the discrepancy).

Advice if you are asked to pay back an overpayment

The local authority will need to send you a letter notifying you that there has been an overpayment. This should include a summary of the time period affected; the amounts involved and an explanation of how the total has been calculated. You may wish to seek advice to:

- check the overpayment has been calculated correctly;
- check whether you have to pay the money back (see above);
- negotiate repayment terms; or
- as touched upon above, ask if the authority will exercise its discretion not to recover the overpayment if this may cause hardship.

Your local Age Cymru or Citizens Advice Bureau may be able to assist with the above – see section 17 for contact details.

17 Useful organisations

Age Cymru Advice

Free and confidential information and advice on matters affecting the over 50s in Wales.

Tel: 0300 303 44 98

E-mail: advice@agecymru.org.uk

Website: www.agecymru.org.uk/advice

Age Cymru organisations (local)

Your local Age Cymru may be able to provide advice and support on a range of issues. **Age Cymru Advice** can provide details of your local Age Cymru (see above), or visit the Age Cymru website at:

www.agecymru.org.uk/local

Citizens Advice Bureaus (CABs)

National network of free advice centres offering confidential and independent advice, face to face or by telephone.

Tel: 0800 702 2020

Details of your nearest CAB can be found at:

www.citizensadvice.org.uk/wales

Civil Legal Advice

People on a low income or benefits, who are eligible for legal aid can get specialist legal advice about debt, housing, discrimination and family problems.

Tel: 0345 345 4 345

Website: www.gov.uk/civil-legal-advice

Pension Service (The)

For details of state pensions, including forecasts and how to claim your pension.

Tel (English): 0800 731 7898

Tel (Welsh): 0800 731 7936

Website: www.gov.uk/state-pension

Valuation Office Agency (The)

The VOA is part of HM Revenue and Customs and is responsible for allocating the correct Council Tax band to homes in England and Wales.

Website: www.gov.uk/government/organisations/valuation-office-agency

Valuation Tribunal for Wales

An independent organisation that deals with Council Tax and rating appeals. They also handle Council Tax Reduction Scheme appeals if someone remains unsatisfied following the response of their local authority.

Website: www.valuation-tribunals-wales.org.uk

Welsh Government

The devolved government for Wales.

Tel: 0300 060 4400

E-mail: customerhelp@gov.wales

Website: www.gov.wales

18 Further information about Age Cymru

Age Cymru is the national charity for older people in Wales.

We campaign, we research and we fundraise to make sure we build a better life for all older people. We ensure older people's voices are heard, we challenge and change attitudes and we fight discrimination wherever we find it.

We provide a range of national and local services and programmes directly to older people in the community and we ensure the highest standards so you can be assured of consistency and quality wherever you see the Age Cymru name and logo.

Our family includes local Age Cymru partners and national partners, Age NI, Age Scotland and Age UK.

Our information materials

Age Cymru and Age UK publish a large number of free information guides and factsheets on a range of subjects, including money and benefits, health, social care and housing. Some resources, such as this factsheet, are produced 'in-house' by Age Cymru, whilst others are branded Age UK and – depending on the subject matter – contain either information which is applicable in England and Wales, or for the whole of the UK.

Contact details

Age Cymru Advice

Tel: 0300 303 44 98 (9am to 4pm, Monday – Friday)²⁶

E-mail: advice@agecymru.org.uk

Website: www.agecymru.org.uk/advice



www.facebook.com/agecymru



www.twitter.com/agecymru



www.youtube.com/agecymru

Contact us if you would like:

- To order copies of any factsheets or information guides.
- Further advice if you cannot find the information you need in this factsheet.
- Details of your nearest local Age Cymru organisation.

²⁶ 0300 numbers are reserved exclusively for charities and not-for-profits. Calls made to an 0300 number are charged the same as a call to a standard 01 or 02 number. They are also automatically included in any landline or mobile inclusive minutes package.

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