



TRAFFORD
COUNCIL

COUNCIL TAX REDUCTION SCHEME

2026-2027

(WORKING AGE)

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Introduction

1. Since April 2013, all council tax billing authorities in England are required to set up a scheme to help people in financial need pay their council tax. This document describes the scheme for working-age applicants set up by Trafford Council, for the period 1st April 2026 until 31st March 2027.
2. A working-age applicant means a person who has not reached the qualifying age for State Pension Credit or who has reached that age but is receiving (or where they are a couple, the partner is receiving) Universal Credit.¹
3. The scheme is called a Council Tax Reduction Scheme because any support usually takes the form of a reduction in council tax liability, and therefore a reduction in a working-age applicant's council tax bill. Trafford refers to the Council Tax Reduction Scheme as it's Council Tax Support Scheme.
4. Although the Council has the discretion to devise its own scheme for working-age applicants, the Government has decided that there are some aspects which must be followed in all working-age schemes. These can be found [here](#) in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (and subsequent amendments). In the event of any dispute between the wording in this scheme and the prescribed requirements regulations, the latter will prevail.

Overview of the scheme

5. Subject to some overall conditions (see paragraph 8 below), the working-age applicants in financial need who the scheme is designed to help are those whose weekly income (if any) for the relevant week is within any income band prescribed by the Council as set out in the table below. The percentage amount of reduction awarded depends on where the applicant's weekly income falls in the income ranges for the type of household listed in the table.

¹ The only exception is couples who were protected under pension age rules as of the 14 May 2019 or where a pensioner receives Universal Credit as a result of the ending of Working Tax Credit. These applicants come under the pensioner scheme.

BAND	DISCOUNT (%)	SINGLE UNDER 25 (Weekly income)	COUPLE UNDER 25 (Weekly income)	SINGLE OVER 25 (Weekly income)	COUPLE OVER 25 (Weekly income)
1	100%	£79 or less	£122 or less	£99 OR LESS	£154 or less
2	75%	£79.01 - £103	£122.01 - £155	£99.01 - £123	£154.01 - £187
3	50%	£103.01 - £127	£155.01 - £187	£123.01 - £147	£187.01 - £219
4	25%	£127.01 - £152	£187.01 - £220	£147.01 - £171	£219.01 - £252
5	0%	£152.01 +	£220.01+	£171.01+	£252.01+

6. An applicant's weekly income is the total of net earned income and unearned income. See [Appendix 1](#) for more information about the working-age scheme including a description of how income is calculated, and which income is ignored.
7. In addition, households living in a property in a higher council tax band than band C are restricted to the amount of council tax liability for a band C property, unless they are in a protected group.²
8. The overall conditions for all applicants to receive financial assistance from the scheme are that they:
 - live in the property as their main home; and
 - are liable to pay council tax; and
 - meet the residence rules; and
 - have capital not exceeding £16,000; and
 - have made an application, or treated as having made an application, for assistance from the scheme.

Treatment of income

9. In the calculation of council tax reduction, most income is taken into account, although some types of income are ignored in whole or in part. The definition of income includes earnings, benefits and pensions³ and the following paragraphs explain how various types of income are treated in the calculation. The income of an applicant's partner is treated as belonging to the applicant.
(Paragraphs 10-20 apply to working age applicants not receiving Universal Credit

² The protected groups are applicants, or their partner or dependants, who are receiving Attendance Allowance, the middle or higher rate of Disability Living Allowance for care, or the higher rate for mobility, or the daily living component of Personal Independence Payment or the enhanced rate for the mobility component, or equivalent benefits.

³ See paragraph 16 of Schedule 1 to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 for a full definition.

10. Income is calculated on a weekly basis. In order to arrive at the weekly amount of earnings and other income to be taken into account, a monthly payment is multiplied by 12 and divided by 52; a three-monthly payment is multiplied by 4 and divided by 52; where the payment is for a year, the amount is divided by 52; in other cases, the amount is converted to a daily amount and multiplied by 7. Where relevant and subject to certain conditions, childcare charges are deducted in accordance with the rules for the childcare element of Universal Credit. The amount of childcare charges that can be met, and the conditions that apply, can be found [here](#).
11. Where an applicant's income is greater than the amount allowed for Band 1 of the income ranges for the type of household listed in the table in paragraph 5, a 20% taper will be applied to any income that exceeds the Band 1 threshold. The percentage amount of reduction awarded depends on where the applicant's weekly income falls after the taper has been applied.

Earnings from employment

12. In the calculation of council tax reduction, an applicant's net earnings are taken into account, after deductions have been made from their gross earnings for: income tax, class 1 National Insurance contributions, and 100% of contributions to occupational or personal pension schemes. The applicant's earnings which are ignored are shown in the table below. The amounts shown are not cumulative:

Amount ignored	Circumstances which must apply
£25	Lone Parent
£20	In receipt of Carers Allowance and/or Personal Independence Payments or Disability Living Allowance or Scottish Adult Disability Living Allowance
£10	Couples where £20 is not ignored.
£5	Single person where £20 is not ignored.

13. Where an applicant has earnings from employment, the weekly amount of earnings is calculated using an average that the Council considers to be a fair representation of the applicant's contractual income, covering a period of no more than 52 weeks (not including earnings received from more than one financial tax year).
14. Earnings are taken into account from the date of application even if they were not received during the week of application. Where an applicant starts work after an application for council tax reduction has been made, earnings are taken into account from the first reduction week after they began work, even if they were not actually received in that week. Similar arrangements are made when earnings change.
15. See [Annex 2](#) for the definition of earnings as an employed earner.

Self-employment

16. An applicant for council tax reduction is treated as self-employed if they are gainfully employed but not as an employed earner.
17. Where an applicant is self-employed, weekly earnings are estimated over a reasonable period but no more than over 52 weeks. Self-employed applicants, whether or not they receive Universal Credit, are treated as having a certain level of earned income (known as the Minimum Income Floor). See [Annex 3](#) for a description of how self-employed earnings are calculated, including the Minimum Income Floor.

Other income

18. Income other than earnings is fully taken into account except for the Support Component of contributory based Employment and Support Allowance or the Support Component of contributory based New Style Employment and Support Allowance and any Employment and Support Allowance Contributory Transitional Addition. [Appendix 1](#) lists other income that is ignored. Unless it is specified in this paragraph or Appendix 1 it is taken into account. Weekly income other than earnings is also estimated over a reasonable period but no more than over 52 weeks. Any tax payable on gross income is ignored. See [Annex 5](#) for a description of how income other than earnings is calculated.
19. Benefit income is taken into account over the period in which it is paid. Benefit income taken into account is normally the gross amount before any deductions are made from it. Capital paid by instalments in some circumstances, and annuity payments, are treated as income.
20. In most cases, income that the applicant has not obtained but is available on application is treated as possessed by them, but only from the date on which it could be obtained.⁴ With some exceptions⁵, payments made to third parties on behalf of the applicant are treated as possessed by the applicant.

Treatment of income for applicants receiving Universal Credit

21. For applicants receiving Universal Credit, the scheme uses the assessment of income in the Universal Credit claim⁶, which is provided to the Council by the Department for Work and Pensions. However, if the Council considers that the assessment of income provided by DWP is inaccurate for whatever reason, including fraud, the Council may substitute its own figure.

⁴ See paragraph 22 of Schedule 1 to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.

⁵ See paragraph 23 of Schedule 1 to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 for a list of exceptions.

⁶ The calculation of income and capital in Universal Credit is set out in Part 6 of the [Universal Credit Regulations 2013](#).

22. If the income includes earnings, the amount of earnings which relates to the relevant Universal Credit assessment period is taken into account. The applicant's earnings which are ignored are shown in the table below:

Amount ignored	Circumstances which must apply
£25	Lone Parent
£20	In receipt of the Carers Element and/or the Limited Capability for Work Element of UC and/or Carers Allowance and/or Personal Independence Payments or Disability Living Allowance or Scottish Adult Disability Living Allowance
£10	Couples where £20 is not ignored.
£5	Single person where £20 is not ignored.

23. If an applicant ceases to be entitled to Universal Credit because of an increase in their earnings, the amount of earnings used in that Universal Credit assessment period is taken into account. It is the responsibility of the applicant to inform the Council about changes in accordance with paragraph 78.
24. The amount of Universal Credit taken into account in the calculation of council tax reduction is the net amount less the following deductions for the Universal Credit elements: housing, limited capability for work, carer, child, disabled child, childcare and any amount for transitional protection. If there is not enough net Universal Credit to deduct all the elements listed, then it will be deducted from other adjustments and/or unearned income and benefits. Any deductions for items such as budgeting advances and recovery of overpayments are treated as available to the applicant. See [Appendix 1](#) for more details.
25. Monthly figures are converted to weekly figures by multiplying by 12 and dividing by 52.

Treatment of capital

(Subject to paragraph 24, paragraphs 25-31 apply to working-age applicants not receiving Universal Credit)

26. The figure for capital used in the assessment of Universal Credit may also be used for the calculation of council tax reduction, but the Council will use its own figure where it considers it more appropriate to do so. Where in the assessment of Universal Credit a person's capital is assumed to yield an income, this amount is taken into account in the council tax reduction scheme.

27. If an applicant has more than £16,000 in capital, no council tax reduction is payable under this scheme.
28. All capital is taken into account in the calculation of the award, including income treated as capital, unless it is listed in [Appendix 2](#) in which case it is ignored. The capital of a child or young person who is a member of the applicant's family is also ignored. The capital of an applicant's partner is treated as if it belonged to the applicant.
29. Certain types of income are treated as capital (and vice versa). See [Annex 5](#) for a full list.

Notional capital

30. If an applicant deliberately disposes of capital in order to obtain council tax reduction, it is assumed that the applicant still possesses that capital and it is therefore taken into account. This notional capital is reduced over time⁷ by the amount that the applicant would have received in council tax reduction if they had not been treated as having that capital. With certain exceptions, where an applicant fails to realise capital which they own, that capital is also taken into account. Most payments of capital made to a third party on behalf of the applicant are taken into account.⁸

Calculation of capital

31. Capital which an applicant possesses in the United Kingdom is calculated at its current market or surrender value less:
 - 10% if there are expenses attributable to its sale, and
 - the amount of any monetary claim secured against it.
32. Capital which an applicant possesses outside the United Kingdom is treated in the same way except that it is calculated:
 - at its current market or surrender value in that country if it can be transferred to the United Kingdom; or
 - if it cannot be transferred to the United Kingdom, at a price which it would realise if it were sold in the United Kingdom to a willing buyer, less:
 - 10% for sales costs, if appropriate, and
 - the amount any monetary claim secured against it.

⁷ The Council will make calculations every thirteen weeks.

⁸ See paragraphs 34 and 35 of Schedule 1 to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.

33. Where an applicant owns capital jointly with one or more persons, each share is treated as equal unless there is evidence to the contrary.

Calculation of council tax reduction

Maximum council tax reduction

34. Council tax is calculated on a daily basis. For any day for which a working-age applicant is liable to pay council tax, the maximum amount of council tax reduction is determined with reference to the table at paragraph 5, except that households living in a property in a higher council tax band than band C are restricted to the amount of council tax liability for a band C property unless they are in a protected group.⁹
35. In calculating the amount of council tax reduction, fractions of less than half a penny are rounded down and fractions of half a penny or more are rounded up.
36. Where an applicant is jointly liable for council tax with other residents at the same dwelling, the council tax set by the authority (less any discount) is divided by the number of people jointly liable and the applicant's council tax reduction is based on their share. This does not apply in the case of a student where they are excluded from entitlement to council tax reduction, or a partner of the applicant.

Non-dependant deductions

37. A non-dependant is a person living as a member of the applicant's household who is not their partner or a child/young person for whom they are responsible. There are certain exceptions such as joint-occupiers,¹⁰ boarders and paid carers, who are not treated as non-dependants. Non-dependants aged 21 or over are usually expected to contribute to household expenses such as council tax.
38. There is one deduction of £9.00 a week for all non-dependants aged 21 or over, unless exempt – see below. In the case of non-dependant couples, a deduction of £9.00 is taken from each of them.
39. Where there is joint liability for council tax in a household, other than joint liability between a couple¹¹, and there is a non-dependant who is a non-dependant of two or more of the liable persons, only one applicant can have the non-dependant as a member of the household and the full rate of the deduction is applied solely to that

⁹ The protected groups are applicants, or their partner or dependants, who are receiving Attendance Allowance, the middle or higher rate of Disability Living Allowance for care, or the higher rate for mobility, or the daily living component of Personal Independence Payment or the enhanced rate for the mobility component, or equivalent benefits.

¹⁰ See Annex 1 (Glossary) for a definition of joint-occupier and boarder

¹¹ See Annex 1 (Glossary) for a definition of couple.

applicant. If the jointly liable applicants cannot agree who should have the non-dependant member as part of their household, the Council will decide for them.

40. No non-dependant deductions are applied if the applicant or their partner:
- is severely sight-impaired or blind;
 - is receiving Attendance Allowance, Pension Age Disability Payment, the middle or higher care component of Disability Living Allowance or Scottish Adult Disability Living Allowance, or the higher rate for mobility, the daily living component of Personal Independence Payment, or the enhanced rate for the mobility component, the daily living component of Adult Disability Payment, an Armed Forces Independence Payment or Constant Attendance Allowance.
41. No non-dependant deductions are applied where the non-dependant:
- is receiving Attendance Allowance, the care component of Disability Living Allowance or the higher rate for mobility, the daily living component of Personal Independence Payment, or the enhanced rate for the mobility component, the daily living component of Adult Disability Payment, Pension Age Disability Payment, an Armed Forces Independence Payment or Constant Attendance Allowance.
 - is aged under 21;
 - is receiving Pension Credit;
 - is receiving Carer's Allowance;
 - is carer of a child under 5;
 - is a prisoner;
 - is a child or step-child in the armed forces.

Temporary Absences

42. An applicant can be regarded as living in their home and therefore eligible for council tax reduction even if they are temporarily absent for certain periods. Council tax reduction is payable during periods of temporary absence as long as the applicant remains liable for council tax, and the address they are temporarily absent from is their sole or main residence.
43. For absences outside Great Britain, the scheme follows the rules for Universal Credit. This means that the absence should not last more than a month or be expected to last more than a month. There are some exceptions which are listed in the regulation 11 of the [Universal Credit Regulations 2013](#).

Extended support - the run-on

44. Extended council tax reduction (sometimes known as the run-on) can be awarded to working-age people who have been (or their partners have been) receiving Income Support, income-based Jobseeker's Allowance or income-related Employment

Support Allowance for at least 26 weeks, and who come off that benefit because they or their partners start employment as an employed or self-employed earner, or increase their hours or earnings, where that employment is expected to last 5 weeks or more. This also applies to those who were receiving certain contributory benefits which end for the same reason. The qualifying contributory benefits are Incapacity Benefit, contributory or new-style Employment and Support Allowance, and Severe Disability Allowance. The qualifying rules are broadly the same as for those coming off income-related benefits.

45. Extended support can be made for up to 8 weeks starting from the beginning of the week after entitlement to a qualifying benefit ends. Support lasts for 8 weeks unless the applicant's liability for council tax ends first.
46. The amount of the extended payment is usually the amount that the applicant was entitled to during the last week that they were receiving a qualifying benefit. However, if for any reason entitlement to council tax reduction after the change of circumstances is higher, the higher amount is paid.
47. Where an applicant who is entitled to extended support moves from one local authority to another, extended support may take the form of a payment from one local authority to the other, or directly to the applicant. The amount of extended payment remains the same, that is, the amount payable in respect of the last week before entitlement to a qualifying benefit ceased. Where an applicant continues to be liable for council tax, the second authority must reduce the new amount of council tax reduction by the amount of the extended support already awarded.
48. Entitlement to council tax reduction does not end until the end of the extended support period, even if entitlement would otherwise have ended based on the applicant's new circumstances. The general rules for calculating changes of circumstances do not apply.

People treated as not in Great Britain

49. Council tax reduction is payable only to those applicants who live in Great Britain and, in some circumstances, people are treated as if they are not in Great Britain and are therefore excluded from the scheme. This applies where they do not satisfy the habitual residence test and where they are subject to immigration control.
50. The habitual residence test is in two parts: first, an applicant must show that they are habitually resident (intend to settle and make their home in the UK, Channel Islands, Isle of Man, or the Republic of Ireland). Secondly, EEA nationals (people from EU countries together with Norway, Iceland, Switzerland and Liechtenstein) must have a legal right to live in the UK and claim benefits, i.e. a 'right to reside' in the UK

(known as the residence rules). These rules are satisfied if the applicant is, for example:

- a worker or is self-employed in accordance with the EEA regulations;¹²
- a family member of such a worker or self-employed person;
- a worker who has ceased activity, for example because of retirement or incapacity, or a family member of such a worker;
- a family member of a deceased worker;
- a refugee;

51. However, there are some circumstances in which EEA nationals have been granted leave to enter or remain in the United Kingdom but who do not satisfy the habitual residence test for the purposes of applying for council tax reduction. An EEA national who is a jobseeker is not treated as having the right to reside for the purposes of applying for council tax reduction simply by being a jobseeker. With some exceptions in respect of Northern Ireland, EEA nationals who are granted leave to enter, or remain in, the United Kingdom solely as a result of satisfying the special immigration rules that allowed EEA citizens to remain in the UK after the withdrawal from the EU (the settlement scheme), do not satisfy the habitual residence test simply because of these provisions.¹³
52. British citizens returning to the UK after a period of living or working abroad have an automatic right to reside in the UK, but they do need to show that they are habitually resident in the UK.
53. An applicant who has entered the UK from Afghanistan is treated as habitually resident in the UK if they:
- have been granted leave to remain in accordance with the Afghan Relocations and Assistance Policy, the Afghan Citizens Resettlement Scheme or the previous scheme for locally employed staff in Afghanistan; or
 - left Afghanistan in connection with the collapse of the Afghan government that took place on 15 August 2021.
54. An applicant who has entered the UK from Ukraine is treated as habitually resident in the UK if they:
- were living in Ukraine immediately before the 1st January 2022 and left Ukraine in connection with the Russian invasion which took place on 24th February 2022; and

¹² [The Immigration \(European Economic Area\) Regulations 2016](#). These regulations were repealed in 2020 but some provisions, including definitions, were retained under the [Citizens' Rights \(Application Deadline and Temporary Protection\) \(EU Exit\) Regulations 2020](#).

¹³ See regulation 12 of the Council Tax Reduction) Prescribed Requirements (England) Regulations 2012, paragraphs 4, 4A and 4B, for a full list of circumstances where an applicant has been given leave to enter or remain in the UK but who does not satisfy the habitual residence test.

- have been granted leave to enter or remain in accordance with the immigration rules; or
 - have a right of abode in the United Kingdom because they are British or in some cases Commonwealth citizens, or do not require leave to enter or remain because they are Irish citizens.¹⁴
55. An applicant who has entered the UK from Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon is treated as habitually resident if they:
- were living in any of the above areas immediately before 7th October 2023 and left those areas in connection with the Hamas terrorist attack in Israel on 7th October 2023 or the escalating violence in the region following the attack;
 - have been granted leave to enter or remain in accordance with the immigration rules; or
 - have a right of abode in the United Kingdom because they are British or in some cases Commonwealth citizens, or do not require leave to enter or remain because they are Irish citizens.
56. An applicant who has entered the UK from Sudan is treated as habitually resident if they:
- were living in Sudan before 15th April 2023 and left in connection with the violence on 15th April 2023 in Khartoum, and across Sudan;
 - have been granted leave to enter or remain in accordance with the immigration rules; or
 - have a right of abode in the United Kingdom because they are British or in some cases Commonwealth citizens, or do not require leave to enter or remain because they are Irish citizens.
57. An applicant is treated as habitually resident if they were living in a country or territory where the Government has advised British nationals to leave, or has arranged evacuation and they:
- have left that country or territory and are currently living in Great Britain;
 - have a right of abode in the United Kingdom because they are British or in some cases Commonwealth citizens, or do not require leave to enter or remain because they are Irish citizens;
 - have been granted leave to enter or remain in accordance with the immigration rules; or
 - have been granted leave on a discretionary basis outside the immigration rules.

This provision applies only for six months from the date the advice was given, or the evacuation started.

¹⁴ As defined in sections 2 and 3ZA of the [Immigration Act 1971](#).

57. An applicant is treated as habitually resident if they have, as part of a safe and legal humanitarian immigration route, been granted leave to enter or remain in the United Kingdom, either in accordance with the immigration rules or on a discretionary basis outside those rules.
58. An applicant is also treated as habitually resident if they have been granted, or are deemed to have been granted, leave outside the rules made under section 3(2) of the [Immigration Act 1971](#).
59. Non-EEA and non-UK nationals may be subject to immigration control and an applicant who is subject to immigration control is excluded from applying for council tax reduction. For example, this applies where an applicant:
- needs permission to enter or remain in the UK but does not yet have permission;
 - has permission to enter or remain in the UK, but only if they do not claim benefits or use other public services;
 - has been given permission to enter or remain in the UK because someone formally agreed to support them.

Students

60. A property that is wholly occupied by full-time students, for example a hall of residence, is exempt from council tax. Most students are not eligible for council tax reduction but some students who are liable for council tax can get support in specified circumstances. See [Annex 6](#) for a full account, including the treatment of student income.

Effective dates

Date entitlement begins

61. An applicant's entitlement to council tax reduction normally begins from the start of the reduction week (Monday to Sunday) which follows the date of application.¹⁵ However, if an applicant becomes liable for council tax for the first time¹⁶ in respect of a property in which they reside, and they are entitled to council tax reduction, their entitlement begins from the first day that they are legally liable to pay council tax, providing they apply within a month of that reduction week.
62. Where the person is in receipt of Universal Credit, their entitlement to a reduction under this scheme is treated as made on the first day of their Universal Credit assessment period and awarded from the following Monday.

¹⁵ See [paragraph 67](#) for a definition of when an application is treated as made in the case of applicants receiving Universal Credit.

¹⁶ including those liable to pay council tax for the first time in their home, for example after an exemption ends, as well as those who move into a property where they become liable to pay council tax.

63. Where, following the death of a partner who was receiving council tax reduction until the date of death, an applicant or their partner (or a non-dependant who was living in the deceased applicant's household) applies for council tax reduction within three months from the date of the applicant's death, entitlement begins from the date of death.

Date from which changes in circumstances take effect

64. Changes in circumstances take effect from the Monday following the date of change, apart from these exceptions:
- where entitlement to a benefit ceases, excluding Universal Credit, the change takes effect from the Monday of the reduction week following the day immediately after the benefit ceases;
 - in the case of applicants receiving Universal Credit, where entitlement to Universal Credit either starts or ceases, or where there is a change in the Universal Credit award, the change takes effect from the Monday following the start of the Universal Credit assessment period¹⁷ in which the change takes place;
 - a change in the amount of council tax payable takes effect from the date of change;
 - a change in the amount a person is liable to pay by way of council tax (for example changes to a discount) also takes effect from the date of change;
 - if the change applies to an applicant who now has a partner, or a partner has died, or they have separated, it takes effect from the date of the change;
 - Where an applicant reports a change of circumstances which
 - is required to be reported under paragraph 78; and
 - is reported more than one month after it occurred, or a longer period if there is good cause for late notification (up to a maximum of 13 months after the date on which the change occurred); and
 - the new award is advantageous to the applicant,the date of notification of the change of circumstances shall be treated as the date on which the change occurred.
65. Where two or more changes occur in the same week, and at least one of which is treated as taking effect from the date of change in accordance with paragraph 62, all the changes are deemed to take effect from the date of change (or the earliest date of change where two or more changes satisfy paragraph 62).

¹⁷ The assessment period is a monthly period which starts on the day a person makes a claim for Universal Credit. Payment of Universal Credit is usually made a week after the end of each assessment period.

66. If an applicant's council tax reduction award is £0 (nil award) the claim will remain open for 6 months or until the end of the financial year, whichever is the soonest before being automatically closed.

Application procedure /online applications

67. Only one partner in a couple can apply for council tax reduction in respect of the same dwelling. If the partners cannot agree who should apply, the Council will decide for them.
68. Where a person who is liable to pay council tax is unable to act for themselves, and someone has been appointed to act on their behalf (for example an attorney), the person appointed can make an application on behalf of that person. Where there is no-one to act on the person's behalf, the Council may appoint someone to act. An appointee must be aged over 18 and must apply for the appointment in writing or online. The Council may accept as an appointee someone who has already been appointed by the Department for Work and Pensions to act in respect of a social security benefit. The Council has the power to revoke the appointment at any time and the appointee may resign on giving 4 weeks' notice. If, subsequently, another person is authorised to act on the applicant's behalf (for example, an attorney) the former appointeeship ceases. The appointee must take full responsibility for all aspects of the application and is made fully aware by the Council of the duties involved, including the consequences of failing to comply with those duties.
69. An application may be made:
- online; or
 - by telephone, although the applicant will subsequently need to provide a signed statement and any other documentation necessary to support the application.

If an applicant has difficulty in completing an online form, the Council can make alternative arrangements to assist.

70. Where the Department for Work and Pensions notifies the Council that an award of Universal Credit has been made for the first time following a Universal Credit claim, the Council may automatically treat this notification as an application for council tax reduction. In certain circumstances, for example where a Universal Credit notification does not include details of housing costs or details of other adults in the property are not included, it may be necessary for the applicant to provide further information to the Council. Any such information must be provided within one month (or such longer period as the Council considers reasonable) of being asked to do so.
71. An application must be made by using the Council's online application form. Where an application is not properly completed, the Council may ask the applicant to complete the form correctly.

72. An applicant may amend or withdraw an application, in writing, at any time before a decision has been made.
73. If an application is made online and the Council considers that all the required information has not been provided, the Council will give the applicant the opportunity to provide the required information.

Date on which an application is made

74. The date to be taken as the date on which the application is made is normally the date the application is received by the Council, or the date the applicant first notified the Council of their intention to apply, if this is followed up within one month by a properly completed application. There are some exceptions to this general rule:
- where an applicant becomes liable for council tax for the first time, and the council tax reduction application is received within one month of becoming liable, the date of application for council tax reduction is the date on which council tax liability begins.
 - where a person's council tax banding notification is delayed on moving into a new property, and an application for council tax reduction is made within one month of receiving the banding notification, the date of application is treated as the date on which council tax liability begins;
 - where a couple's relationship comes to an end either due to separation or the death of one of them and the former partner was entitled to council tax reduction and the application is made within three months of the death or separation, the date of application for council tax reduction is the date of death or separation;
 - where an application is not properly completed and is corrected within one month (or longer if the Council considers reasonable) the date of application is the date on which the first contact is made. If the incomplete application is not corrected within one month or other reasonable period, the date of application for council tax reduction is the date when sufficient information becomes available to decide the application;
 - if an applicant or their partner is receiving Universal Credit when they become liable for council tax for the first time, and the council tax reduction application is received within one month of becoming liable, the date of application for council tax reduction is the date on which council tax liability begins;
 - where an applicant or their partner has made a claim for Universal Credit, the application for council tax reduction is treated as made on the first day of the Universal Credit assessment period.

Advance applications

75. An applicant may apply up to 8 weeks in advance if they anticipate that they will become liable to pay council tax during that period. The application is treated as made on the day on which liability for council tax begins.
76. Other than where an applicant is a person treated as not being in Great Britain, the Council may treat an advance application as made in the reduction week before the first week of entitlement to council tax reduction. This applies where an applicant is not entitled to council tax reduction in the week after the actual date of application, but the Council considers that they will become entitled within the next 13 weeks unless there is a change in circumstances.

Evidence and information

77. Where appropriate, the Council can accept evidence submitted online or by telephone to support an application.
78. An applicant to council tax reduction must provide a National Insurance number for themselves and if appropriate, others for whom they are applying, or evidence that they have applied for a National Insurance number. This requirement does not apply to a:
 - child or young person;
 - person from abroad;
 - person subject to immigration control.
79. An applicant to council tax reduction must provide such evidence in support of their application as the Council considers reasonable, within one month of being notified of their duty to do so (or a longer period if the Council so decides). The Council informs the applicant of their duty to notify any change of circumstances, and if asked by the applicant, which change of circumstances must be notified.
80. Before a decision has been made on an application, an applicant may amend or withdraw the application by notifying the Council either in writing, by electronic communication or by telephone.

Duty to notify changes in circumstances

81. An applicant, or a person acting on behalf of the applicant, has a duty to report changes in circumstances either before an application has been decided by the Council or after council tax reduction has been awarded. The changes to be reported are those which the applicant might reasonably be expected to know would affect entitlement, and the changes must be notified in writing, by telephone or online within a period of one calendar month from the day when the

change occurs, or as soon as reasonably practicable afterwards. Some types of change of circumstance do not need to be reported:

- changes in the amount of council tax payable to the council;
- changes in the ages of the applicant and their family or any non-dependants except where someone ceases to be a child or young person;

Decisions and awards

82. Once the Council is satisfied that an application for council tax reduction has been completed in the proper manner together with all the required evidence and information, it will make the decision within 14 days or as soon as practicable thereafter.
83. Having made the decision on an application, the Council will notify the applicant, or a person appointed to act on behalf of the applicant, immediately or as soon as reasonably practicable afterwards. In the case of any other decision, the Council will notify the applicant within 14 days or as soon as reasonably practicable afterwards. The notification of a decision on an application is normally in the form of a notification letter together with a revised council tax bill which includes:
- a reminder about the duty to report changes in circumstances and an explanation of the consequences of failing to do so;
 - examples of changes that might affect entitlement to council tax reduction or its amount;
 - information about the effect of the decision on the applicant's council tax liability;
 - information about appeal procedures.

Use of information

84. Where it is lawful to do so, the Council uses information provided by the Department for Work and Pensions and His Majesty's Revenues and Customs in order to calculate entitlement to council tax reduction. Similarly, the Council shares information with those departments when it is required to do so.
85. The Council may receive, obtain, verify, record and store information relating to applications for council tax reduction, from:
- the applicant;
 - other persons in connection with applications;
 - other local authorities;
 - central government departments.
86. The Council may forward information to anyone in the Council or others authorised to act on behalf of the Council, in processing applications for council tax reduction.

Reviews and appeals

87. If an applicant is dissatisfied with the Council's decision on entitlement to council tax reduction or the amount awarded, they may write (including by email) to the Council setting out why they are dissatisfied. The Council will then consider the matter and notify the applicant in writing (usually by email), either that they do not have a case stating the reasons why, or that action has been taken to address their concerns. If the applicant is still dissatisfied, or if the Council does not address their concerns within 2 months, they may appeal to the Valuation Tribunal.

Discretionary awards

88. The Council may use its discretion to reduce council tax liability because of exceptional hardship.¹⁸ This is irrespective of whether an application has been made for council tax reduction under the main scheme, described in this document.
89. An application may be made via the Council's online application form, and any other documentation necessary to support the application must be provided within 14 days from the date of the original request to do so.

Electronic communication

90. The Council may use electronic communication (for example via computer networks or mobile phones) in administering council tax reduction and may receive electronic communications including applications online, subject to the following conditions:
- there is an explicit authorisation given by the Council's chief executive;
 - there is an approved method of authentication;
 - approved forms are used;
 - records are maintained in a way specified by the chief executive.
91. Any applications which are not submitted in the approved manner are treated as invalid. The Council may authorise another person or persons to act as intermediaries in connection with the delivery of information electronically and its authentication.
92. Any information delivered electronically is treated as if it were delivered in any other way required by the Council's scheme if the above conditions are met. Information is treated as not delivered until it is accepted by the Council's official computer system. If, for legal reasons, it becomes necessary to prove the identity of the sender or recipient of information sent or received electronically, it is presumed to be the person named on the official computer system. Similarly, if it is

¹⁸ Under section 13A(1)(c) of the [Local Government Finance Act 1992](#), as amended.

necessary to prove that information sent electronically has actually been delivered to the Council, it is treated as received if it is recorded on the official computer system. Similarly, if it is not recorded as received on the official computer system it is treated as not received. And the time, date and content of any electronic communication is presumed to be that recorded on the computer system.

Transitional Protection 2026-27

93. The Council has decided to give transitional protection support to the following applicants in the 2026-27 financial year:-
- Applicants who will move from the working age Council Tax Support Scheme to the pension age Council Tax Support Scheme within 2026-27 until they are eligible under the pension age scheme.
 - Applicants who are a couple where one is State Pension Age 2026.
94. The transitional protection award calculation will ensure the same level of Council Tax reduction that would have been received on the 25-26 working age scheme.

Annex 1 – Glossary of terms

Applicant	A person who has made an application to the Council for council tax reduction.
Application	An application for council tax reduction.
Approved blood scheme	A scheme established or approved by the government, or a trust set up with funds provided by the government, to provide compensation for someone infected by contaminated blood products.
Armed Forces Independence Payment	A payment made in accordance with an armed and reserve forces compensation scheme.
Attendance Allowance	A benefit for people of state pension age and over that helps with the extra costs of long-term illness or disability, which can be either physical and/or mental. It is paid regardless of income and savings and is tax-free.
Benefit cap	A limit to the total amount of some benefits that most working-age people can receive. There are different levels of cap for London and the rest of the country.
Boarder	A person who resides with the applicant and who makes payments to the applicant or their partner, on a commercial basis, in return for accommodation and some meals. A boarder is not a non-dependant.
Carer's Allowance	A benefit for someone caring for another person for at least 35 hours a week. It is paid regardless of income and savings but can be taxable.
Caxton Foundation	A charitable trust funded by the government primarily to help someone suffering from hepatitis C.
Child	A person under the age of 16.
Child Benefit	A non-means-tested benefit (below income of £60k) to help with the cost of children. It is usually paid monthly to a person who is responsible for a child either aged under 16 or aged 16 to 20 in full-time education or training.
Close relative	A parent, parent-in-law, son, son-in-law, daughter, daughter-in-law, step-parent, step-son, step-daughter, brother, sister. Where any of these close relatives is one member of a couple, the definition includes the other member of that couple.
Concessionary payment	A payment made in certain circumstances to compensate a person for the non-payment of a benefit or a tax credit.
Council	Trafford Council, as the billing authority.

Council Tax Reduction Scheme	A scheme designed to help people in financial need pay their council tax.
Couple	Two people living in the same household who are married to, or civil partners of, each other, or are living together as though they were married or civil partners.
Disability Living Allowance	A non-means-tested, non-taxable benefit paid to people who need supervision or help with their daily or nightly care, or who have mobility problems. It has now been replaced for most people by Personal Independence Payment but is still paid for children.
Earnings	Any remuneration or profit derived from employment.
Eileen Trust	A charitable trust funded by the government to pay grants to non-haemophilic people infected with HIV through treatment with NHS blood or blood products.
Employed earner	A person who is gainfully employed under a contract of service.
Employment and Support Allowance	A benefit paid to working-age people who have an illness, health condition or a disability which makes it difficult or impossible to work. Contribution-based Employment and Support Allowance is not means-tested but based on National Insurance contributions. Income-related Employment and Support Allowance is means-tested.
Estrangement	A breakdown of a relationship between 2 persons.
Extended reduction	A set amount of council tax reduction awarded for a specified period, usually 4 weeks.
Family	A couple, or a couple where one or both have responsibility for a child or young person living in the same household, or a lone parent who has responsibility for a child or young person living in the same household.
Financial or tax year	The period beginning 6 th April in one year to 5 th April in the following year.
Grenfell Tower support payment	A payment made for the purpose of providing compensation or support in respect of the fire on 14 th June 2017 at Grenfell Tower.
Historical child abuse payment	A payment made under various compensation schemes and redress programmes to acknowledge the harm caused by child abuse and provide support to survivors.
Household	Not defined as such but is given its every-day meaning, taking account of factors such as the overall relationship between the parties, living arrangements and the degree

	to which facilities are shared. Children and young people are treated as part of the household even when temporarily absent but are not part of the household in certain specific circumstances, such as when they are living in care or formally placed with the applicant.
Housing Benefit	An income-related (means-tested) benefit paid to tenants on low incomes (either in or out of work) to help pay their rent. The scheme is administered by local authorities in accordance with national legislation.
Joint occupier	A person who is either the co-owner (with the applicant or their partner) of the residence or liable (with the applicant or their partner) to pay council tax. A joint occupier has a legal right to occupy the property. A joint occupier is not a non-dependant.
LGBT Financial Recognition Scheme Payment	A payment under the Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme, authorised by the Secretary of State for Defence.
Local authority	An authority responsible for issuing council tax bills and providing a scheme for council tax reduction.
London Bombings Relief Charitable Fund	The company and registered charity set up to help victims (and their families or dependants) of the terrorist attacks in London on 7 th July 2005.
London Emergencies Trust	A company and registered charity set up to distribute public donations to those affected by a major emergency such as terrorist attacks or other civil disasters in London.
Lone parent	A person who has no partner and who is responsible for a child or young person living in the same household.
Macfarlane Trust	A charitable trust established to help relieve poverty or distress among those suffering from haemophilia.
Maternity leave	A period during which a woman is absent from work because she is pregnant or has given birth to a child, and after which she has the right to return to work.
Medically approved	Certified by a medical practitioner.
Miscarriage of Justice Compensation Payment	A compensation payment made under Section 133(1) of the Criminal Justice Act 1988; or any other payment made for a miscarriage of justice in criminal proceedings or for being wrongly charged with a criminal offence.
MFET Ltd	A company set up to make payments, under arrangements made by the government, to those who have HIV as a result of treatment by the NHS with blood or blood products.

Minimum Income Floor	The Minimum Income Floor is an assumed level of earned income for self-employed people who report very low or no earnings. The assumed level of earned income is calculated using the net National Minimum Wage multiplied by either the number of hours worked (as declared by the applicant to either the Council or a central government department) or the number of hours they are working.
National Emergencies Trust	A registered charity set up to distribute public donations to those affected by a major national emergency or disaster.
National Minimum Wage	The minimum amount that legally must be paid to an employed earner.
National Insurance	A form of taxation on earnings and self-employed profits paid into a fund from which some social security benefits are paid. The Department for Work and Pensions issues National Insurance numbers which are unique to each person and are required when applying for council tax reduction.
Net earnings	The amount of earnings after specified deductions such as income tax and National Insurance contributions.
Net profit	The amount treated as self-employed earnings which is the applicant's total profit less specified deductions such as allowable expenses.
Non-dependant	A person living as a member of the applicant's household who is not their partner, or a child or young person for whom they are responsible, with certain exceptions such as joint-occupiers, boarders and paid carers.
Non-dependant deduction	A set amount deducted from an applicant's council tax reduction as a contribution made by a non-dependant towards household expenditure.
Occupational pension	Any pension or other periodical payment made under an occupational pension scheme.
Official computer system	A computer system maintained by or on behalf of a local authority for sending, receiving, processing or storing of any information.
Paid carer	A person who lives with the applicant in order to care for them or their partner, who is employed by a charity or voluntary organisation, and where a charge is made for their services. A paid carer is not a non-dependant.
Partner	The person who is the other member of a couple.

Paternity leave	A period of leave during which a father or partner is absent from work in order to care for their new-born or newly-adopted child, after which they have the right to return to work.
Personal Independence Payment	A replacement benefit for Disability Living Allowance designed to provide help to people over 16 who need care or who have mobility needs. It is not means-tested or taxable.
Personal pension scheme	A pension that a person arranges individually which is based on how much is paid into the scheme and how successful the pension provider's investments are.
Polygamous marriage	Any marriage where one party is married to more than one person, and the ceremony of marriage took place under the law of a country which permits polygamy.
Post Office compensation payment	A payment made by the Post Office or the government for the purpose of providing compensation or support either in connection with the failings of the Horizon system or following the judgment in Bates and Others v Post Office Ltd (No 3) "Common Issues".
Public authority	A body or organisation which has a public function, for example the NHS and local authorities.
Relative	A close relative (as defined above) as well as a grandparent, grandchild, uncle, aunt, nephew or niece.
Remunerative work	Where a person is working for at least 16 hours a week (which may be an average) for which payment is made or which is done in expectation of payment.
Resident	An applicant is resident in a dwelling if they occupy it as their sole or main home.
Residence rules	Qualifying conditions whereby an applicant must establish that they have the right to live in the UK and intend to settle in the UK, Isle of Man, Channel Islands or Ireland and make it their home.
Revision	A previous decision is changed (revised) from the same date it originally took effect from. It allows for a review of the original decision, which may lead to changes based on new information or errors.
Scottish Infected Blood Support Scheme	A scheme that provides support to people in Scotland who were historically infected with hepatitis C and/or HIV following treatment with NHS blood or blood products.
Self-employed earner	A person who is gainfully employed in Great Britain otherwise than in employed-earners employment.

Service user	A person who is consulted by, or on behalf of, certain public bodies.
Skipton Fund	A scheme set up to make payments to people suffering from hepatitis C.
Sports award	An award made by certain specific sports councils from funds derived from the National Lottery.
Student	A person who is attending or undertaking a course of study at an educational establishment or on a qualifying course. ¹⁹
Supersession	A previous decision is changed from a later date. It is a way to address changes in circumstances or errors in the original decision.
Support or reduction week	A period of 7 days commencing on a Monday and ending on a Sunday.
Taper	The percentage of excess income (20%) that is deducted.
Temporary absence	A period not exceeding a specified number of weeks where a person is temporarily absent from their home and intending to return to that home and has not sub-let that part of the home they normally occupy.
The Trusts	The Macfarlane Trust, the Macfarlane (Special Payments Trust) and the Macfarlane (Special Payments) (No.2) Trust.
Universal Credit	An income-related (means-tested) benefit for people of working-age who are on a low income.
Vaccine Damage Payment	A payment made if you are severely disabled as a result of a vaccination against certain diseases.
Victims of Overseas Terrorism Compensation Scheme	A government funded scheme designed to compensate victims who sustain a relevant injury which is directly attributable to their being a direct victim of a designated act of terrorism overseas.
Voluntary organisation	A body other than a public or local authority whose activities are carried out on a not-for-profit basis.
War Disablement Pension	A payment paid to people who have been injured or disabled as a result of any service in His Majesty's Armed

¹⁹ A qualifying course as defined for the purposes of parts 2 and 4 of the [Jobseeker's Allowance Regulations 1996](#). The course must be employment-related which helps a person to acquire or enhance skills for employment, for seeking employment, or for a particular occupation. It must last for no more than 12 consecutive months and it must be a course at an appropriate level. See also [Annex 6](#) for more comprehensive definitions relating to students.

	Forces. The amount paid depends on the severity of the disablement.
War Widow's Pension	A pension payable to the widow, widower or in some circumstances the children of someone killed in the Armed Forces or who died later because of injury in the Armed Forces.
We Love Manchester Emergency Fund	A charity set up to co-ordinate, administer and distribute the monies donated in response to the Manchester Arena attack on 22 May 2017.
Windrush Compensation Scheme	A scheme set up by the government to compensate people who have suffered loss because they are unable to demonstrate their lawful status in the UK.
Working-age applicant	A person who has not reached the qualifying age for State Pension Credit or who has reached that age but is receiving (or where there is a partner the partner is receiving) a working-age income-related benefit. ²⁰
Young person	A person who is a qualifying young person for Child Benefit purposes. The young person must be 16 or over and under 20 and on a course of full-time, non-advanced education or in approved training, or in appropriate full-time education.

²⁰ Except that applicants who have reached pension age and were protected under pension age rules as of the 14 May 2019 or are receiving Universal Credit as a result of the closure of Working Tax Credit are included in the pensioner scheme.

Annex 2 - Definition of earnings as an employed earner

(This annex does not apply to applicants receiving Universal Credit²¹)

The definition of earnings includes the following:

- any bonus or commission;
- payments to compensate for loss of earnings but not redundancy payments;
- payments in lieu of notice or payments intended as compensation for loss of employment;
- holiday pay but not if it is paid more than 4 weeks after employment ends;
- payments made for a period when no actual work has been carried out, for example a retainer;
- any expenses which are not 'wholly, exclusively and necessarily incurred' in connection with employment such as travelling expenses between home and work;
- compensation for unfair dismissal from work and any other payment made under employment rights legislation;
- any statutory sick pay, maternity pay, paternity pay, adoption pay, and statutory parental bereavement pay;
- payments made by or on behalf of an employer to an applicant who is on maternity or paternity leave, adoption leave or is absent from work because of illness;
- non-cash vouchers which have been counted when calculating liability to pay National Insurance contributions.

The definition of earnings does not include:

- payments in kind except for non-cash vouchers as above;
- expenses which are 'wholly, exclusively and necessarily incurred' in connection with employment;
- any occupational pension;
- expenses arising from participation in consultation exercises on behalf of specified public authorities;
- In respect of pensioners, any payment of compensation from an employment tribunal in respect of unfair dismissal or unlawful discrimination.

²¹ The scheme uses the Universal Credit earnings figure provided by DWP which is based on the definition of earnings as an employed earner given in [paragraph 55 of the Universal Credit regulations 2013](#). This definition is similar but not exactly the same as the one in this Annex.

Annex 3 - Calculation of self-employed earnings

(This annex does not apply to applicants receiving Universal Credit²²)

The earnings of a self-employed earner are the gross income from the employment. Local authority payments to foster parents, and certain kinship carers, are not treated as self-employed earnings but as income other than earnings.²³ The following are also not regarded as self-employed earnings: payments by a boarder living in the applicant's accommodation, and sports awards.

Royalties, copyright, design, patent, trademark and Public Lending Right Scheme payments are taken into account over a set period of weeks. The number of weeks is obtained by dividing the amount of the payments by the amount of council tax reduction which would be payable had the applicant not received the payments, plus the amount that would normally be ignored in their case.

The earnings to be taken into account are the net profit from the business less any amount which is ignored under [Appendix 4](#). Where a self-employed applicant is a partner (or a share fisherman) the net profit is their share of the profit.

In order to arrive at a figure for net profit, the following expenses are deducted from gross earnings:

- any expenses 'wholly and exclusively' incurred including repayments of capital on business loans for the replacement of equipment or machinery, or the repair of existing business assets (after any insurance payments);
- appropriate income tax and National Insurance contributions;
- 100% of any sum paid periodically in respect of a personal pension scheme;
- net payments of VAT and interest payments on loans taken out for the purposes of the applicant's business.

The following items are not considered to be expenses:

- capital expenditure;
- depreciation of any capital asset;
- any sum earmarked for setting up or expanding the business;
- losses incurred before the period over which the earnings are calculated;
- repayment of capital on business loans;
- any debts owed to the business except certain irrecoverable debts;
- expenses that the Council consider have not been reasonably incurred.

²² The scheme uses the Universal Credit earnings figure provided by DWP which is based on the definition of self-employed earnings given in [para 57 of the Universal Credit Regulations 2013](#). This definition is similar but not exactly the same as the one in this Annex.

²³ See paragraph 21 of Schedule 1 to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 for a full definition.

Special arrangements apply in assessing the net profit of childminders. The net profit is one third of the earnings less income tax, National Insurance contributions and payments to a personal pension scheme.

Where an applicant has more than one employment as a self-employed earner, any losses incurred in any one of their employments cannot be offset against their earnings in any other of their employments.

The Minimum Income Floor is an assumed level of earned income for self-employed people who report very low or no earnings, and who have been self-employed for 12 months. For applicants receiving Universal Credit, the Minimum Income Floor is included in the earnings figure provided by DWP, which is used by the Council. Where the applicant is not receiving Universal Credit, the assumed level of earned income is calculated using the net National Living Wage multiplied the number of hours they are working as stated by the applicant.

Annex 4 - Calculation of income other than earnings

(This annex does not apply to applicants receiving Universal Credit)

The following are examples of how an applicant's income other than earnings is calculated:

- where a benefit payment, includes a deduction to recover an overpayment, it is the gross amount of the benefit that is taken into account;
- where an applicant is receiving a reduced rate of contributory Employment and Support Allowance because of a sanction, it is the full amount that is taken into account;
- where tax credit for the current tax year includes a deduction to recover an overpayment of tax credits for the previous year, it is the tax credit less the deduction that is taken into account;
- where a student applicant in receipt of a student loan leaves their course prematurely, they are treated as having the same weekly income from the loan as if they had completed the course, but only for the period during which they attended the course.

Annex 5 - Income which is treated as capital (and capital treated as income)

(This annex does not apply to applicants receiving Universal Credit)

The following income is treated as capital:

- occasional bonus payments to part-time coastguards, auxiliary fire-fighters, and those manning lifeboats;
- refunds of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E;
- any holiday pay which is paid more than 4 weeks after the employment ends;

- with some exceptions (see [Appendix 2](#)) any income derived from capital but only from the date it is normally due to be credited to the applicant's account;
- any advance of employed earnings or any loan made by the applicant's employer;
- except for payments made by certain specified²⁴ trust funds, any charitable or voluntary payment which is not made, or due to be made, at regular intervals;
- the gross receipts of any commercial activity undertaken by a self-employed applicant receiving council tax reduction, but only if those receipts were payable into a special account;
- any arrears of subsistence allowance which are paid to an applicant as a lump sum;
- in the case of pensioners, any arrears of working tax credit, child tax credit or state pension credit paid after an award of council tax reduction has been made;
- in the case of working age applicants, any arrears of working tax credit and child tax credit;
- any payment made through an approved trust for providing assistance to a disabled person whose disabilities were caused by the Thalidomide drug.

The following capital is treated as income:

- capital paid by instalments outstanding at the date the application is made (or treated as made) which, together with other capital, would take the applicant over the capital limit;
- payments received under an annuity;
- a career development loan paid under section 2 of the Employment and Training Act 1973;
- periodic payments to the applicant as a consequence of personal injury.

Annex 6 - Students

(This annex does not apply to applicants receiving Universal Credit)

To be eligible for council tax reduction, a working-age student must be liable for council tax, satisfy the other eligibility conditions, and be in one of the following categories:

- a lone parent;
- a student who has a full-time student partner one of whom has responsibility for a child or young person;
- disabled and entitled to Disability Living Allowance or Personal Independence Payment;
- a single foster carer;
- treated by the Department for Work and Pensions as incapable of work (or having limited capability for work) for a continuous period of at least 196 days;
- under 21 and not in higher education;
- under 20 and someone receives Child Benefit for them;

²⁴ For the full list of specified trusts, see [Appendix 2](#) to this scheme under 'Compensation' on page 42.

- receiving a Disabled Student's Allowance for deafness;
- have interrupted their course due to illness or caring responsibilities (with the approval of their college or university) for the period between their illness or caring responsibilities ending when they return to University, but only if they do not receive student finance during that time;
- covered by medical evidence saying that they have not been able to work due to illness or disability for at least 28 weeks;
- a part-time student.

Calculation of grant income

A student's grant income is taken fully into account, except payments for the following:

- tuition or examination fees;
- in respect of disability;
- residential study away from their normal place of study;
- maintaining a home away from their normal place of study;
- £390 for the cost of books and equipment, £303 for travel expenses, whether or not the costs are actually incurred (but only where the student does not have or is treated as not having a student loan);
- childcare costs for a dependent child;
- higher education bursary for care leavers;
- the grant for dependants known as the parents' learning allowance.

Grant income is normally apportioned on a weekly basis over the period of study (see definition below) for which it is paid.²⁵ This generally means the period beginning with the start of the course and ending with the last day of the course. If the grant is paid for a different period to the period of study, it is taken into account over that different period. In the case of a sandwich course, any periods of work experience are excluded from this calculation.

A student may receive other income (for example a gift) to cover expenditure necessarily incurred in respect of the above items. However, where that income is greater than the cost of the item(s) for which it is intended, any excess is taken into account as income. For example, if a student is given £400 for the cost of books, £390 would be ignored and £10 taken into account.

Calculation of student loans

A student loan (or a postgraduate master's or doctoral degree loan) is treated as income. This also applies where a student does not have a loan but could obtain one. If a student is treated as having a loan it is the maximum amount available (or in the case of a

²⁵ The main exception relates to grants for dependants in certain circumstances. These are divided equally over 52 or 53 weeks as appropriate.

postgraduate master's or doctoral degree loan 30% of the maximum available) which is treated as income.

A fixed amount of £390 towards the cost of books and equipment, and £303 towards the cost of travel is deducted from the loan income, whether or not the costs are actually incurred.

Any loan taken out by a student to pay their fee contribution to an educational establishment is ignored.

Any special support loan to defray the cost of books, equipment, travel or childcare incurred for the purpose of attending a designated course, is ignored in calculating a student's income.²⁶

Loan income is calculated by dividing the amount of the loan, less any amount that is ignored, by the number of weeks in the period of study for which it is paid. This means:

(a) where the course is of a single academic year's duration or less, from the first day of the single academic year, or the first day of the course, and ending with the last day of the course.

(b) where the academic year of the course starts other than on 1st September, from the first day of that academic year, ending with the last day of that academic year, but excluding weeks falling entirely within the long vacation.

(c) in respect of the final academic year of a course which is not of a single year's duration, from the beginning of either (i) the first day of that academic year, or (ii) where the final academic year starts on 1st September, the earlier of 1st September or the first day of the autumn term and ending with the last day of the course.

(d) in any other case, from the first week in September or the first day of the autumn term and ending with the last day of June.

Other issues

Any discretionary access funds paid periodically by a college or university are ignored unless intended for and used for specified basic needs,²⁷ in which case the funds are fully taken into account. In particular, access funds are ignored as income where they are paid after 1st September or after the first day of the course in anticipation of a student receiving a student loan, or are paid before the first day of the course in anticipation of the applicant becoming a student.

²⁶ See regulations 2(5), 3(5), 4(5) and 5(5) of the [Social Security \(Treatment of Postgraduate Master's Degree Loans and Special Support Loans\) \(Amendment\) Regulations 2016](#).

²⁷ The basic needs are food, ordinary clothing or footwear, household fuel or rent, or any council tax or water charges for which the applicant (or a member of their family) is liable.

Where access funds are paid by way of a lump sum, the lump sum is treated as capital. However, where the lump sum is used for items other than specified basic needs it is ignored for a period of 52 weeks from the date of payment.

Where a student's partner has been assessed for a contribution to his grant or loan, that contribution is taken into account as income, but an equal amount of the partner's income is ignored.

For the purposes of this scheme, the following definitions apply:

Academic year - the period of twelve months beginning on 1st January, 1st April, 1st July or 1st September, according to whether the course begins in the winter, the spring, the summer or the autumn. But if students are required to begin attending the course during August or September and continue attending through the autumn, the academic year of the course begins in the autumn rather than the summer.

Course of study - any course of study, whether or not it is a sandwich course, and whether or not a grant is made for undertaking or attending it.

Full-time student - a person who is attending or undertaking a full-time course of study, including a student on a sandwich course. A funded course of study is usually regarded as full-time if it involves over 16 hours of guided learning a week. Whether or not an unfunded course is full-time depends on the nature of the course as a whole.²⁸

Grant - any kind of grant or award other than a payment from access funds. It includes any scholarship, studentship, exhibition, allowance or bursary. It does not include an educational maintenance allowance (or analogous payments).

Period of study - this is defined as follows:

- a) in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;
- b) in the case of a course of study for more than one year, in any year other than the final year of the course, the period beginning with that year's start and ending with either: (i) the day before the start of the next year of the course in a case where the student's grant or loan is assessed at a rate appropriate to their studying throughout the year; or (ii) in any other case, the day before the start of the normal summer vacation appropriate to their course;
- c) in the final year of a course of study of more than one year, the period beginning with that year's start and ending with the last day of the course.

Qualifying course - as defined for the purposes of parts 2 and 4 of the [Jobseeker's Allowance Regulations 1996](#). The course must be employment-related which helps a person to acquire or enhance skills for employment, for seeking employment, or for a particular occupation. It

²⁸ For a fuller definition of full-time course of study used in this scheme see regulation 53 (1) of the [Housing Benefit Regulations 2006](#).

must last for no more than 12 consecutive months and it must be a course at an appropriate level.

Sandwich course²⁹ – consists of alternate periods of full-time study in an institution and periods of work experience. The student attends full-time study for at least 18 weeks in each year.

Student - a person who is attending or undertaking a course of study at an educational establishment or who is on a qualifying course.

Student loan – a loan towards a student’s maintenance.

²⁹ See regulation 2(9) of the [Education \(Student Support\) Regulations 2008](#) for more detail.

Appendix 1 – The working-age scheme

(This appendix applies to all working-age applicants, including those who have been awarded Universal Credit.)

Income bands and overall conditions

Working-age applicants must satisfy the overall conditions to receive financial assistance from the scheme, which are that they:

- live in the property as their main home; and
- are liable to pay council tax; and
- meet the residence rules; and
- have capital not exceeding £16,000 and
- have made an application, or treated as having made an application, for assistance from the scheme.

The maximum amounts of council tax reduction under the Council’s income-banded scheme for working-age applicants are:

BAND	DISCOUNT (%)	SINGLE UNDER 25 (Weekly income)	COUPLE UNDER 25 (Weekly income)	SINGLE OVER 25 (Weekly income)	COUPLE OVER 25 (Weekly income)
1	100%	£79 or less	£122 or less	£99 OR LESS	£154 or less
2	75%	£79.01 - £103	£122.01 - £155	£99.01 - £123	£154.01 - £187
3	50%	£103.01 - £127	£155.01 - £187	£123.01 - £147	£187.01 - £219
4	25%	£127.01 - £152	£187.01 - £220	£147.01 - £171	£219.01 - £252
5	0%	£152.01 +	£220.01+	£171.01+	£252.01+

The income Bands 1-5 in the table above, and the applicable Council Tax liability reduction, reflect the applicant’s age and relationship status. Namely, whether the applicant for Council Tax Support is single and aged under 25, or aged 25 and over; alternatively, whether the applicant has a partner such that the household is classified as ‘Couple’.

The weekly income to be applied is based on the income of the applicant and, where appropriate, their partner (excluding any income that is ignored). The percentage amount of reduction awarded depends on where the applicant's income, as calculated below, falls in the income ranges listed in the table.

Where an applicant or partner is in receipt of Universal Credit, or would be but are exempt from claiming the Housing Element due to being in supported, sheltered or temporary housing, and they have no earnings and/or are not self-employed, the discount will be awarded at Band 1 level. In some instances, an applicant will have an award of Universal Credit, but their payment amount is zero. This could be due to deductions for debt or where rent payments are being paid directly to the applicant's landlord. For Council Tax Support purposes these applicants will be treated as being out of work receiving Universal Credit. This is often referred to as 'underlying entitlement'.

The Council may vary the income bands and/or the percentages each financial year.

Where an applicant reports a change in their income which does not change their entitlement to council tax reduction (because they remain in the same income band as set out in paragraph 5 of this scheme) the Council will not notify the applicant that their entitlement remains the same.

Households living in a property in a higher council tax band than band C are restricted to the amount of council tax liability for a band C property, unless they are in a protected group³⁰.

Calculation of income

The total amount of income to be applied in the calculation is net weekly earnings and weekly unearned income.

The net weekly earnings of those applicants who do not receive Universal Credit are calculated in accordance with [paragraphs 10-16](#) of this scheme.

For applicants receiving Universal Credit, the amount of income (net earnings and unearned income) determined by DWP in the assessment of Universal Credit is used in the calculation, in accordance with [paragraphs 20-23](#) of this scheme.

The amount of Universal Credit considered as income in the calculation of Council Tax liability reduction is the net amount after the following deductions have been made from the Universal Credit elements for: housing; limited capability for work; carer; child (or children); disabled child; childcare; and any amount for transitional protection. If there is not enough net Universal Credit from which to deduct all these elements listed, then they will be deducted from other adjustments and/or unearned income and benefits. Any

³⁰ The protected groups are applicants, or their partner or dependants, who are receiving Attendance Allowance, the middle or higher rate of Disability Living Allowance for care, or the higher rate for mobility, or the daily living component of Personal Independence Payment or the enhanced rate for the mobility component, or any equivalent benefits.

deductions³¹ for items such as budgeting advances and recovery of overpayments are treated as available to the applicant.

For all applicants, the following types of income are ignored in the calculation:

- Attendance Allowance, Disability Living Allowance, Scottish Disability Living Allowance, Personal Independence Payment Armed Forces Independence Payment and any mobility supplement paid to members of the armed forces, and any Scottish equivalent benefits;
- Child Benefit;
- War Disablement Pension;
- War Widows' or Widowers' Pension (including supplementary allowances);
- War Widows' or Widowers' pre 1973 supplementary pension;
- £15 of any Widowed Mother's Allowance or Widowed Parents' Allowance;
- any payments made to the applicant from a trust in consequence of their personal injury;
- Foster payments;
- Charitable payments;
- Maintenance payments for children;
- Payments from the Energy Rebate Scheme 2022;
- Payments from the Homes for Ukraine scheme.

All other unearned income is taken into account.

Non-dependant deductions

Where a non-dependant adult is living in the household a flat-rate deduction of £9.00 per adult aged 21 or above is applied, irrespective of their status or income. There are some exemptions which are set out in [paragraphs 39-40](#) of this scheme.

Capital

If a working-age applicant has more than £16000 in capital, no council tax reduction is payable under this scheme.

Tariff income

³¹ Including deductions for: repayment of a Universal Credit advance; sanctions; penalties; Social Fund payments; repayment of overpayments; recovery of money owed for council tax, court fines, electricity, gas, water, housing costs or child maintenance; and direct payments to the utility companies for electricity and gas.

Tariff income is the weekly income that is assumed from a person's capital. Where an applicant or their partner has capital between £6,000 and £16,000, an assumed income of £1 for every £250 (or part of £250) is added to the calculation

Appendix 2 - Capital that is ignored³²

(This appendix does not apply to applicants receiving Universal Credit³³)

Property

- the dwelling normally occupied by the applicant as their home including any garden, garage and outbuildings;
- premises occupied wholly or partly by a partner, relative or any member of the applicant's family as their home where that person has attained the qualifying age for State Pension Credit or is incapacitated;³⁴
- premises occupied by a former partner as their home providing that the applicant is not estranged or divorced from their former partner, nor where the applicant had formed a civil partnership that has been dissolved;
- any premises that the applicant acquires, or is taking legal advice or proceedings to possess, and intends to occupy as their home within 26 weeks from the date of acquisition, or from the date on which they took legal advice or proceedings, or within a longer period if the Council considers reasonable;
- any sum solely attributable to the sale of premises formerly occupied by the applicant as their home which is to be used for the purchase of other premises that they intend to occupy as their home within 26 weeks of the sale, or a longer period if the Council considers reasonable and necessary to secure the purchase;
- the applicant's former home which they left following estrangement, divorce or dissolution of a civil partnership for a period of 26 weeks from the date on which the applicant left the home. Where the applicant's former home is occupied by the former partner who is a lone parent, the value of the home is ignored so long as the former partner continues to occupy the home;
- for 26 weeks or longer if reasonable, the value of any premises which the applicant is taking reasonable steps either to dispose of, or to obtain possession of, or which they intend to occupy after essential repairs or alterations;
- for 26 weeks or longer if reasonable, any grant made by a local authority in order to help purchase premises that an applicant intends to occupy as their home or for essential repairs or alterations to be carried out and make fit for occupation;
- deposits held by a housing association, and (for 26 weeks or a longer period if the Council considers reasonable) deposits that were so held and earmarked for buying a home;
- for a period of 52 weeks, any sum of money paid to, or on behalf of, the applicant for the sole purpose of buying a property which they intend to occupy as their home, or to meet the cost of essential repairs or alterations to that home;

³² See Schedule 6 to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 for a full list.

³³ Subject to paragraph 24 of this scheme (circumstances where the Council uses its own figures for capital). In most cases, the Council uses the amount of capital decided by DWP in the Universal Credit claim and this will exclude capital disregarded in accordance with [Schedule 10 of the Universal Credit Regulations 2013](#).

³⁴ The term 'incapacitated' is not defined but should be given its broad meaning.

- any future interest in property (for example where a person has been left property for life that the applicant is due to inherit on their death) but not where the applicant has granted a lease or tenancy including sub-leases or sub-tenancies;
- payments for repair to, or replacement of, personal possessions, repairs or improvements to the home, for a period of 26 weeks or a longer period if the Council considers it reasonable;
- for a period of 52 weeks, payments under an insurance policy for the loss or damage to the property, occupied by the applicant as their home, and their personal possessions;
- the business assets owned wholly or partly by the applicant while working for the business, but where they cease working, the value of the business assets are ignored only for a period in which the Council decides is reasonable to allow for the disposal of such assets;
- the business assets owned wholly or in part by the applicant where they would be working but for an illness or disability, and intends to re-engage in that business on recovery, for a period of 26 weeks, or within a longer period that the council considers reasonable.

Benefits

- capital already taken into account when the applicant is receiving, Income Support, income-based Jobseeker's Allowance, or income-related Employment and Support Allowance;
- payments of arrears or compensation in respect of any specified benefit³⁵, discretionary housing payment, and tax credit, for a period of 52 weeks from the date of receipt of those arrears;
- payments made under a local welfare provision (formerly part of the Social Fund) sometimes known as occasional assistance;
- any payment of a Widowed Parent's Allowance made to the survivor of a cohabiting partnership following the death of their partner, who was entitled to Widowed Parent's Allowance before 9th February 2023, and in respect of the period ending the day before a claim for Widowed Parent's Allowance is made. The payment is ignored for a period of 52 weeks from the date of receipt or 1st April 2024, whichever is later;
- any payment of a Bereavement Support Payment made for the first month of entitlement, for a period of 52 weeks from the date of receipt of the payment;
- any payment of a Bereavement Support Payment made to the survivor of a cohabiting partnership, following the death of their partner, who was entitled to Bereaved Support payment before 9th February 2023 at the higher rate and the payment is for more than one month's entitlement. The payment is ignored for a period of 52 weeks from the date of receipt or 1st April 2024, whichever is later;

³⁵ See paragraph 21(2) of Schedule 6 to Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended) for a list of specified benefits.

- any payment to rectify or compensate for an official error relating to specified social security benefits, but where the payment is £5,000 or more, only as long as the payment is made on or after the date on which council tax reduction is awarded and only for the duration of that award.

Compensation

- any payments made from the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies trust or the London Bombings Relief Charitable Fund; any Grenfell Tower support payment, a historical child abuse payment, a Windrush payment, the Victims of Overseas Terrorism Compensation Scheme, Post Office compensation payment, or a Vaccine Damage Payment, any LGBT Financial Recognition Scheme payment, or any miscarriage of justice compensation payment;
- Any payment out of the estate of a person made under the Scottish Infected Blood Scheme or an approved blood scheme where the payment is made to the person's son, daughter, step-son or step-daughter;
- Any payment out of the estate of a person, which derives from a payment made under or by the Scottish Infected Blood Support Scheme or an approved blood scheme to the estate of the person as a result of that person having been infected from contaminated blood products.
- Any lump-sum payments made from the Armed Forces Compensation Scheme;
- any payment made to the applicant or their partner as a result of personal injury but only for a period of 52 weeks;
- compensation paid to children and young people for personal injury, or the death of a parent, while the capital is held by a court or administered by a responsible person;
- any £10,000 ex gratia payment made as a result of imprisonment or internment by the Japanese during the Second World War;
- the value of certain trust funds derived from payments made as a result of personal injury;
- certain trust payments made to the applicant or a member of their family to compensate those who suffer from or who have died from variant Creutzfeldt-Jakob disease;
- payments made to people who were slaves or forced labourers, suffered property loss or personal injury, or who were parents of a child who died during the Second World War;
- payments made to those with an annuity policy from the Equitable Life Assurance Company.

Other

- personal possessions unless they have been bought to secure or increase entitlement to council tax reduction;
- cash payments made by a local authority to help children in need;
- payments made by a local authority to a person aged 18 or over who was formerly in the applicant's care and continues to live with the applicant and who gives the payments to the applicant;
- payments made by a local authority under the Energy Rebate Scheme 2022³⁶
- any other payments made by the Government to help with the cost of living;
- any payment made in connection with the Homes for Ukraine scheme;³⁷
- any payments in kind made by a charity, or made from the MacFarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies trust or the London Bombings Relief Charitable Fund; any Grenfell Tower support payment, a historical child abuse payment, a Windrush payment, the Victims of Overseas Terrorism Compensation Scheme, Post Office compensation payment, or a Vaccine Damage Payment any LGBT Financial Recognition Scheme payment, or any miscarriage of justice compensation payment;
- any payment other than a training allowance made to assist disabled people to obtain or retain employment;
- any payment made for travelling or other expenses relating to participation in a recognised work programme;
- payments made to help people select, train for, obtain and retain employment under the Employment and Training Act 1973;
- for 52 weeks, any payment to a self-employed person in order to establish or develop their business;
- any payment made by a local authority to a blind homeworker under specified provisions;
- any payment made to the applicant as holder of the Victoria or George Cross;
- payments akin to an education maintenance allowance;
- for 52 weeks, any arrears of subsistence allowance;

³⁶ the Energy Rebate Scheme 2022 means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022. See regulation 16 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, inserted by the Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 – SI 2022/127.

³⁷ the Homes for Ukraine scheme means the Homes for Ukraine sponsorship scheme which was announced in Parliament on 14th March 2022. See regulation 17 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, inserted by the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2023.

- for 52 weeks, payments made by a local authority intended to enable an applicant or their partner to live independently in their accommodation;
- any direct payments for health care;
- certain payments made in respect of adoption, fostering and guardianship support;
- for 52 weeks, payments made in respect of certain NHS charges, hospital travel costs, payments in lieu of Healthy Start food vouchers, milk tokens or the supply of vitamins, and for assisted prison visits;
- the surrender value of annuities or the right to receive income under them;
- the surrender value of any life insurance policy;
- where a payment of capital is made by instalments, the value of the right to receive outstanding instalments;
- for 26 weeks, sports awards unless intended for basic needs;³⁸
- the value of the right to receive any income payable abroad which cannot be transferred to the United Kingdom;
- any banking charges or commission to convert a payment of capital into sterling;
- the right to receive any income under a life interest or life rent;
- the value of any funeral plan contract;
- the value of the right to receive an occupational or personal pension;
- the value of the right to receive any rent except where the applicant has a reversionary interest in the property where rent is due;
- the value of any funds held under a personal pension scheme.

³⁸ The basic needs are food, ordinary clothing or footwear, household fuel or rent, or any council tax or water charges for which the applicant (or a member of their family) is liable.