



Help with Council Tax

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About this information sheet

This information sheet explains council tax liability and the different ways in which individuals can get help with paying council tax bills. It is mainly concerned with the help available to people with dementia, their families and their carers.

Who is liable to pay Council tax?

Council Tax is a tax on domestic property. For council tax purposes, a domestic property is known as a dwelling. The legal basis for council tax comes from the Local Government Finance Act 1992.

Council tax is payable by someone aged 18 or over who lives in a dwelling. If more than one person lives there the liable person is the one who has the greatest legal interest in the property. This is usually the owner or tenant.

Married or unmarried couples of the opposite sex, or couples of the same sex who have entered into a civil partnership, are jointly liable for council tax, even if one member of the couple has no legal interest in the property. Two or more people, who are not partners, but who live in the same dwelling, as joint tenants or joint owners, may all be jointly liable for the council tax.

Council Tax bills and payment

The amount of council tax someone is liable to pay depends upon the Local Authority area they live in. Local authorities set the level of council tax before the start of each financial year so they can budget for planned spending.

The council tax is only payable once a bill has been issued. Liability for council tax arises on a daily basis, but local authorities issue yearly bills, assuming that the circumstances on which they are based will be the same throughout the year. Where circumstances change, for example if you move house or one member of a couple dies, the bill can be adjusted and council tax payers have the right to receive a refund of any overpayment.

People have the right to pay the bill by instalments, normally over 10 months. Local authorities have the power to enter into special arrangements with individual council tax payers, including offering discounts for lump sum payments.

The council tax bill usually contains charges for water and waste water. Scottish Water set these charges each year and they are collected by local authorities through council tax bills. A small number of people, particularly in rural areas, may have a private water supply and therefore pay no water charges. Also some people may have a septic tank to manage their waste water and they pay privately to have this emptied.

The amount of council tax and any water and waste water charges that someone pays depends on the valuation band placed on the property by the local authority.

In Scotland there are 8 different bands. These reflect property values when they were set in 1993 and will continue until there is a revaluation. The council tax bands in Scotland are:

Band	Values
A	Up to £27,000
B	£27,001 to £35,000
C	£35,001 to £45,000
D	£45,001 to £58,000
E	£58,001 to £80,000
F	£80,001 to £106,000
G	£106,001 to £212,000
H	£212,000 and over

Help with reducing the amount of council tax payable

There are several ways that the council tax bill can be reduced. A reduction can be obtained by:

- an exemption
- a discount
- a disability reduction
- Council Tax benefit
- a discretionary reduction.

If an **exemption** applies to a dwelling, there is no liability at all for council tax, water or waste water charges. Where an exemption does not apply, a person can be entitled to one or more of the other types of help with

council tax. For example, it is possible to claim a disability reduction, a discount and council tax benefit for the same bill. The disability reduction would be applied to the bill first, then a discount and then any council tax benefit.

Council Tax exemptions

Council tax, water and waste water charges are only payable on chargeable dwellings. Certain categories of dwelling are exempt from any council tax, water and waste water charges. The exemption applies on any day that the dwelling falls within an exempt category. This may be for a fixed or indefinite period of time.

The following are the categories of exempt dwellings that may affect a person who has dementia:

- an unoccupied dwelling last occupied by someone who is living in a hospital, care home or hostel to receive care
- an unoccupied dwelling last occupied by someone who is now living in another dwelling to receive personal care
- an unoccupied dwelling last occupied by someone who is now living in another dwelling to provide another person with personal care
- a dwelling solely occupied by people who have a 'severe mental impairment'
- a dwelling occupied only by a person(s) with a severe mental impairment and a person(s) who is a full time student.

A dwelling is exempt if the only people who live in it have a 'severe mental impairment'. This could be one or more than one person.

For example, a couple who live together who both have dementia may both be considered to have a severe mental impairment. They would be entitled to an exemption on the basis that the dwelling is solely occupied by people who are severely mentally impaired. A dwelling is also exempt if one or more people,

who have a severe mental impairment, reside with one or more full time students.

For council tax purposes, a person is considered 'severely mentally impaired' if they meet two qualifying conditions.

The first condition is that they have a 'severe impairment of intelligence and social functioning (however caused), which appears to be permanent'.

Most local authorities have a form which includes a section for a doctor to complete. This section of the form asks the doctor to confirm that the person has a condition that results in a 'severe impairment of intelligence and social functioning' and the date that the person's condition reached that stage.

The second condition is that the person must be entitled to a qualifying benefit. Qualifying benefits are:

- Attendance Allowance
- Disability Living Allowance (middle or higher rate care component)
- Short or long term incapacity benefit
- Employment and Support Allowance
- Severe Disablement Allowance
- An increase in disablement pension for Constant Attendance Allowance
- Constant Attendance Allowance (paid under industrial injuries or war disablement schemes)
- Unemployability supplement (paid under industrial injuries or war disablement schemes)
- Disability element of working tax credit
- Income support which includes a disability premium because of incapacity for work.

Even if a person had one of the above benefits which stopped when they reached retirement age, they would still count as being in receipt of a qualifying benefit.

For example, a 68 year old man who was in receipt of Incapacity Benefit which stopped because he reached 65 (when he received his state retirement pension), still counts as being in receipt of incapacity benefit for the purpose of applying for a council tax discount or exemption. This could mean that any discount or exemption is backdated further than it would be if another qualifying benefit, such as attendance allowance, had been in payment from a later date.

The date that the person meets **both** of these conditions is the date that the exemption applies.

For example, if a doctor confirms that a person has had a severe impairment of intelligence and social functioning since 5 August 2006 and the person had Attendance Allowance (or other qualifying benefit) awarded on or before that date then the exemption should apply from 5 August 2006. Any council tax, water or waste water charges paid after that date should be refunded. If the qualifying benefit had only been awarded on 20 January 2008 then the exemption would apply from that date. This is because both conditions are satisfied from that date.

Council Tax discounts

The council tax, water and waste water charges payable on a dwelling are based on an assumption that there are at least two adults living there. The bill does not increase if there are more than two adults living in the same dwelling.

However, discounts are available if there are fewer than two adults living, or counting as living, in a dwelling. The discounts available are:

- 25% if only one person lives or counts as living in a dwelling
- 50% if no one counts as living in a dwelling.

In some cases there may be two or more people living in a dwelling but some of them may not count as living there. This is because certain people are **disregarded** when the local authority decides who lives in a dwelling. Anyone who is disregarded does not count as living there.

Where a person who has dementia lives alone he/she could qualify for an exemption on the basis of a severe mental impairment as described in the previous section. However, if they live with other people who do not also have a severe mental impairment, or who are not full time students, then there can be no exemption.

In those circumstances the person with dementia will be disregarded. If this means that fewer than two adults count as living in the dwelling then a discount will apply.

Who is disregarded?

The following is a list of the most common disregarded people:

- Recent school or college leavers under 20 (who left school on or after 1 May up to 31 October)
- Students up to 20 studying up to higher grade
- Full time college or university students
- Student nurses
- Foreign spouses or dependents of students
- National traineeship trainees
- Apprentices
- People in prison or other forms of detention
- People who are severely mentally impaired
- Hospital patients
- Certain carers

Disregarded carers

To be disregarded as a carer the carer must satisfy four qualifying conditions. These are that the person must:

- be caring for someone for 35 hours or more per week
- be living with the person that they care for
- not be the partner of the person they care for, or the parent if the person they care for is a child under 18
- be caring for someone who has one of the following qualifying benefits:
 - Attendance Allowance high rate
 - Disability Living Allowance high rate care component
 - Certain rates of Constant Attendance Allowance under the industrial injuries or war pension schemes

More than one person can be disregarded as a carer provided they each meet the four qualifying conditions described above.

For example, a woman with dementia, who has high rate Attendance Allowance, lives with her married son and daughter in law. They both care for her and meet each of the qualifying conditions above. Both the husband and wife would be disregarded as carers and the husband's mother would be disregarded on the basis of a severe mental impairment. As all three fall to be disregarded, a discount of 50% would be awarded. If a local authority refuses to disregard more than one carer you should seek advice. Local welfare rights services or organisations such as the Citizens Advice Bureau can help with this.

Checking if a discount applies to a dwelling

To check if a discount applies, it is a good idea to confirm who is resident in the dwelling. Once that is established, check each person's status against the list of people who should be disregarded. Anyone who is disregarded does not count as living in the dwelling. Count the people who are left after disregarding those on the list. If the number left is two or more then there is no discount. If only one person is left then a discount of 25% applies. If there is no

one left because everyone in the dwelling is disregarded then a discount of 50% applies.

Applying for an exemption or discount

Exemption and discount forms can be obtained by contacting the council tax office that issued the bill. Most bills have a telephone number to contact. Many local authorities have the forms available online.

How to check if an exemption or discount has been awarded

Once a local authority has awarded an exemption or discount an amended bill will be issued. The bill will only reflect the current financial year and not any exemption or discount for previous financial years. It is a good idea to contact the authority to ask the date that the exemption or discount has been applied from.

Backdating of Council Tax exemptions and discounts

Council tax exemptions and discounts apply **from the date that the qualifying conditions are met** and not the date of the application.

Local authorities should refund any overpaid council tax, water or waste water charges that result from an award of exemption or discount. If they do not do this automatically, you may have to ask for a refund.

Many local authorities will only make a refund once they have checked that there are no outstanding arrears of council tax or poll tax for the years before the exemption or discount apply.

Disability reduction

A disability reduction is a reduction in the council tax band of a dwelling to the band below. For example a band D property would be reduced to a band C, or a band C to a band B and so forth. The Council Tax bill for a dwelling in Band A is reduced by the same proportion of the bill as bands B, C and D.

The reduction is equivalent to one ninth of band D.

To qualify for a disability reduction, the dwelling must be the sole or main residence of at least one person with a disability. The disabled person must be 'substantially and permanently disabled'.

In addition the dwelling must have at least one of the following features:

- a room, but not a sole bathroom, kitchen or lavatory, which is predominantly used by the disabled person, or
- an additional bathroom or kitchen within the dwelling which is necessary for meeting the needs of the disabled person, or
- sufficient floor space to permit the use of a wheelchair.

The feature must be essential, or of major importance, to the disabled person's wellbeing because of the nature of his/her disability.

The local authority should consider whether, without the room or feature, the disabled person would find it physically impossible or extremely difficult to live in the dwelling, or their health would suffer, or the disability would be likely to become more severe.

This last paragraph is guidance only and is not contained in the legislation. The High Court in England has ruled that there must be an appropriate causative link between the disability and the need to use the room or feature. There are number of English High Court cases and these indicate that the room or feature should be extra or additional to what a person would ordinarily need, whether disabled or not. English case law is not binding upon Scottish local authorities or courts but it is persuasive.

An example of the use of a room could be where a couple who have a two bedroom

house begin to use the spare room for the person with dementia to sleep and to receive personal care. Special equipment in the room, such as a hospital bed, or special chair, hoists etc would strengthen the application.

The local authority is likely to visit the dwelling to see how the room or feature is being used to allow them to make a decision.

Application for a disability reduction

Application forms can be obtained from the council tax office by telephoning the number on the council tax bill.

Applications must be made for each financial year. Applications can also be made for previous years provided the qualifying conditions were met for any previous period.

Council Tax benefit

What is Council Tax benefit?

Council Tax benefit is a means tested benefit that helps to meet council tax liability. Council tax benefit does not help with water or waste water charges. People who do not already have a discount on their council tax bill and who are entitled to council tax benefit can now get a 25% discount on water and waste water charges.

How much Council Tax benefit is paid?

People over 60 who qualify for the guarantee credit of Pension Credit are automatically entitled to council tax benefit. If a person or couple receive Income Support or Income Based Jobseeker's Allowance, they should receive full council tax benefit. This will mean that they do not have to pay any council tax, although they will have to pay water and waste water charges.

People who have income above the levels for Pension Credit guarantee credit, Income Support or Income Based Jobseeker's Allowance can still get partial help from council

tax benefit. The amount of help they get will be reduced proportionately, the higher their income above these levels. Some people's incomes will be too high to qualify.

People who have savings above £16,000 cannot normally get council tax benefit. This limit does not apply to people who are in receipt of the guarantee credit of Pension Credit.

Claims should be submitted as soon as possible as council tax benefit can only be backdated in special circumstances. People requesting backdating will need to show why they had a good reason for not claiming earlier. Those over 60 can have council tax benefit backdated for up to 3 months providing they qualified for benefit.

Local welfare rights services or organisations such as Citizens Advice Bureaux, and the Pension Service can carry out benefit checks to determine if people may be entitled to council tax benefit or other benefits. It is a good idea for people to have such a check.

Claimants should notify their local authority of any change of circumstances as soon as they are aware of it. They may be entitled to more benefit or their benefit may be reduced or stop altogether. If they do not notify the local authority of a change of circumstances that affects their entitlement to council tax benefit, they could be overpaid benefit which may have to be repaid.

Challenging decisions

If people disagree with a decision made on their claim for council tax benefit or if they have received a decision that they think it is wrong, they can:

- ask the local authority to look again at the decision. This is called a revision
- ask for an explanation of the decision or a written statement of reasons

- appeal the decision to an independent appeal tribunal administered by the Appeals Service.

They must ask for this, in writing, within one month of the date on the decision letter.

It is a good idea to get help to ask for a revision or an appeal. Local welfare rights services or organisations such as Citizens Advice Bureaux can help with this.

Second Adult rebate

Second Adult rebate is a reduction in council tax based on the income of the people who live in a dwelling. It is credited to the council tax bill, reducing the amount that the person has to pay. The amount of rebate will be 25%, 15% or 7.5% of the council tax depending on the gross income of the second adult(s).

Claimants can qualify for second adult rebate if all of the following apply:

- there is more than one person in the household
- the second adult is over 18 and does not have to pay rent to the liable Council Tax payer.
- they are not a 'couple' or have joint liability
- the second person(s) has a low income
- the liable person does not qualify for more Council Tax Benefit than the amount of the second adult rebate.

The person who is liable for the council tax should claim second adult rebate and complete the forms. Although the liable person must make the claim, it is only the income of the second adult(s) that needs to be disclosed. Proof of the second adult's gross income and savings will have to be sent in with the completed form.

Discretionary reductions

Local authorities have discretionary powers to reduce council tax bills for people who would experience financial hardship. The local

authority has to balance the need of the individual's circumstances with the responsibility for managing public funds.

The local authority must consider any application for a discretionary reduction on its own merit. They cannot apply a blanket policy.

Local authorities can also award discretionary housing payments to cover council tax. However, this can only be awarded to someone who already has some Council Tax benefit (not a discount or second adult rebate).

Some local authorities appear to use discretionary housing payments **instead of** offering a discretionary reduction. However, this excludes anyone who does not have any Council Tax benefit but who nevertheless is experiencing financial hardship.

Discounts for certain payment arrangements

Local Authorities have powers to offer discounts for certain types of payment arrangements. This may be a discount for paying by direct debit or perhaps for those who pay the whole bill in one lump sum.

The local authority must have a discount scheme in place before the beginning of the financial year for this to apply and the lump sum would need to be paid before the first instalment falls due.

It is a good idea to check with the relevant local authority if they have a scheme.

Further help

A Citizens Advice Bureau or a Welfare Rights adviser from the local authority can help with claiming any of the different types of help with council tax. Contact telephone numbers are listed in the telephone directory.

The Pension, Disability and Carers Service offer home visits to carry out benefit checks and to help complete claim forms for people aged 60 or over. To arrange a home visit, contact The Pension, Disability and Carers Service on 0845 60 60 265.



The logo for the Dementia Helpline is enclosed in a black rectangular border. At the top right is a circular icon showing three stylized human figures. To the left of this icon, the text 'Dementia' is written in a large, bold, sans-serif font. To the right of 'Dementia' is the text 'Alzheimer Scotland' in a smaller font, with 'Action on Dementia' underneath it. Below 'Dementia' is the word 'Helpline' in a very large, bold, sans-serif font. To the right of 'Helpline' is a black square with the white text '24 HOUR'. Below 'Helpline' is a horizontal line, and under that line is the text 'Freephone 0808 808 3000' in a large, bold, sans-serif font. Below the phone number is the text 'Email: helpline@alzscot.org' in a smaller font.

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