

### **Summary of the CTR Working Age Scheme**

The following applies to the Working Age scheme for Council Tax Reduction (CTR). Each Local Authority has the power to set its own scheme and the rules vary across the country. In Brighton and Hove, the scheme is still largely based on the old means-tested Council Tax Benefit, which compares income against household and family needs in order to determine what level of help is provided.

There is a savings limit on CTR, so you can qualify for help only if your savings are less than:

- £6,000 if you're of working age
- £16,000 if you're of state pensionable age

The council will compare your weekly income with your [applicable amount](#), which is the amount the Government says you need to live on.

If your income is the same or less than your applicable amount, you get the highest reduction you can on your Council Tax.

If your income is higher than your applicable amount, the more income you have, the less CTR you will be awarded. For every £1 above the applicable amount (after any earnings disregards), your weekly CTR will be reduced by 25p (known as the taper).

So, if you had £10 above your applicable amount, we would deduct £2.50 from your maximum weekly CTR.

- You have to pay minimum 20% of your Council Tax bill
- the highest possible reduction in 2019-20 is £1503.22 or 80% of the Council Tax for a Band D property
- you'll have to pay the full amount of Council Tax if your CTR is less than £5 per week

*Example:*

*Alex lives alone in a Band B property and earns a weekly income of £123.04. Their applicable amount is £73.10. Council Tax Reduction is calculated as follows:*

*Band B Council Tax is **£1461.47***

*Outside of the CTR rules, Alex is entitled to a 25% Single Person Discount. So, after reducing the amount by 25%, Alex is liable for **£1096.10**.*

***£1096.10** x 80% is **£876.88**, or **£16.77 weekly**. This is the maximum CTR for this property, as Alex has to pay the first 20% of the bill.*

*The first £10 of Alex's £123.04 earnings are disregarded, leaving **£113.04***

*The excess income above Alex's applicable amount is **£39.94** (£113.04 - £73.10)*

*The 25% taper needs to be applied. 25% of £39.94 is **£9.98**. This is the amount to be deducted from the maximum weekly CTR*

*So, after **£9.98** is deducted from the weekly liability of **£16.77**, Alex is entitled to **£6.79** weekly CTR.*

### **How does CTR compare to the old Council Tax Benefit scheme?**

In keeping with other councils responsible for CTR, the scheme in Brighton & Hove is an amended version of the old Council Tax Benefit scheme. The differences between the Council Tax Benefit and the current scheme are:

- Working people on CTR receive up to 80% discount on their Council Tax (instead of up to 100%)

- The maximum amount of capital a person may hold is £6,000 (reduced from £16,000)
- Second adult rebate has been ended (a feature of the old scheme that allowed for a discount in some cases instead of means-tested Council Tax Benefit);
- Adults who live in their parents' home are expected to contribute more towards the Council Tax
- There is a minimum award of £5 per week, so if a person's assessment is less than that, they do not qualify for any CTR;
- The taper rate has been changed from 20% to 25% (this is the amount of pence in the pound that we reduce entitlement by, if a claimant's income exceeds their assessed needs);
- The maximum band a claim will be based on is Council Tax band D
- The following can earn more before their earnings affect their benefit: single people, disabled people and carers.

