
STATUTORY INSTRUMENTS

2012 No. 2886

COUNCIL TAX, ENGLAND

The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012

Made - - - - *16th November 2012*
22nd November
Laid before Parliament *2012*
Coming into force *18th December 2012*

**THE COUNCIL TAX REDUCTION SCHEMES
(DEFAULT SCHEME) (ENGLAND) REGULATIONS 2012**

1. Citation, commencement and application
2. Default scheme
Signature

SCHEDULE — Council Tax Reduction Scheme (Default Scheme) 2013

PART 1

1. Introduction
- PART 2
2. Interpretation
 3. Application of scheme: pensioners and persons who are not pensioners
 4. Meaning of “couple”
 5. Polygamous marriages
 6. Meaning of “family”
 7. Circumstances in which a person is to be treated as responsible or not responsible for another
 8. Households
 9. Non-dependants
 10. Remunerative work
- PART 3
11. Procedure for reduction applications and appeals against reduction decisions
- PART 4
12. Classes of person entitled to a reduction under this scheme

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

13. Class A: pensioners whose income is less than the applicable amount
14. Class B: pensioners whose income is greater than the applicable amount
15. Class C: alternative maximum council tax reduction – pensioners
16. Class D: persons who are not pensioners whose income is less than the applicable amount
17. Class E: persons who are not pensioners whose income is greater than the applicable amount
18. Class F: alternative maximum council tax reduction – persons who are not pensioners
19. Periods of absence from a dwelling
PART 5
20. Classes of person excluded from this scheme
21. Class of person excluded from this scheme: persons treated as not being in Great Britain
22. Class of person excluded from this scheme: persons subject to immigration control
23. Class of person excluded from this scheme: capital limit
24. Class of person excluded from this scheme: students
PART 6
25. Applicable amounts: pensioners
26. Applicable amounts: persons who are not pensioners
27. Polygamous marriages: persons who are not pensioners
28. Applicable amount: persons who are not pensioners who have an award of universal credit
PART 7
29. Maximum council tax reduction amount under this scheme: pensioners and persons who are not pensioners
30. Non-dependant deductions: pensioners and persons who are not pensioners
PART 8
31. Alternative maximum council tax reduction under this scheme: pensioners and persons who are not pensioners
PART 9
32. Amount of reduction under this scheme: Classes A to F
PART 10

CHAPTER 1

33. Calculation of income and capital: applicant's family and polygamous marriages
34. Circumstances in which income and capital of non-dependant is to be treated as applicant's

CHAPTER 2

35. Applicant in receipt of guarantee credit: pensioners
36. Calculation of applicant's income and capital in savings credit only cases: pensioners

CHAPTER 3

37. Calculation of income and capital: persons who are not pensioners who have an award of universal credit

CHAPTER 4

38. Calculation of income and capital where state pension credit is not payable: pensioners
39. Meaning of "income": pensioners
40. Calculation of weekly income: pensioners
41. Earnings of employed earners: pensioners
42. Calculation of net earnings of employed earners: pensioners
43. Calculation of earnings of self-employed earners: pensioners
44. Earnings of self-employers earners: pensioners
45. Notional income: pensioners
46. Income paid to third parties: pensioners

CHAPTER 5

47. Average weekly earnings of employed earners: persons who are not pensioners
48. Average weekly earnings of self-employed earners: persons who are not pensioners
49. Average weekly income other than earnings: persons who are not pensioners
50. Calculation of weekly income of employed earners: persons who are not pensioners
51. Earnings of employed earners: persons who are not pensioners
52. Calculation of net earnings of employed earners: persons who are not pensioners
53. Earnings of self-employed earners: persons who are not pensioners
54. Calculation of income other than earnings: persons who are not pensioners
55. Capital treated as income: persons who are not pensioners
56. Notional income: persons who are not pensioners

CHAPTER 6

57. Calculation of income on a weekly basis
58. Treatment of child care charges
59. Calculation of average weekly income from tax credits
60. Disregard of changes in tax, contributions etc.
61. Calculation of net profit of self-employed earners
62. Calculation of deduction of tax and contributions of self-employed earners

CHAPTER 7

63. Calculation of capital

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- 64. Income treated as capital: persons who are not pensioners
 - 65. Calculation of capital in the United Kingdom
 - 66. Calculation of capital outside the United Kingdom
 - 67. Notional capital
 - 68. Diminishing notional capital rule: pensioners
 - 69. Diminishing notional capital rule: persons who are not pensioners
 - 70. Capital jointly held
 - 71. Calculation of tariff income from capital: pensioners
 - 72. Calculation of tariff income from capital: persons who are not pensioners
- PART 11

CHAPTER 1

- 73. Interpretation
- 74. Treatment of students
- 75. Students who are excluded from entitlement to a reduction under this scheme

CHAPTER 2

Income

- 76. Calculation of grant income
 - 77. Calculation of covenant income where a contribution is assessed
 - 78. Covenant income where no grant income or no contribution is assessed
 - 79. Relationship with amounts to be disregarded under Schedule 8
 - 80. Other amounts to be disregarded
 - 81. Treatment of student loans
 - 82. Treatment of payments from access funds
 - 83. Disregard of contribution
 - 84. Further disregard of student's income
 - 85. Income treated as capital
 - 86. Disregard of changes occurring during summer vacation
- PART 12

CHAPTER 1

- 87. Extended reductions: pensioners
- 88. Extended reductions (qualifying contributory benefits): pensioners
- 89. Duration of extended reduction period (qualifying contributory benefits): pensioners
- 90. Amount of extended reduction (qualifying contributory benefits): pensioners
- 91. Extended reductions (qualifying contributory benefits)—movers: pensioners
- 92. Relationship between extended reduction (qualifying contributory benefits) and entitlement to a reduction by virtue of classes A to C
- 93. Continuing reductions where state pension credit claimed: pensioners

CHAPTER 2

94. Extended reductions: persons who are not pensioners
95. Extended reductions: persons who are not pensioners
96. Duration of extended reduction period: persons who are not pensioners
97. Amount of extended reduction: persons who are not pensioners
98. Extended reductions—movers: persons who are not pensioners
99. Relationship between extended reduction and entitlement to a reduction by virtue of classes D to F
100. Extended reductions (qualifying contributory benefits): persons who are not pensioners
101. Duration of extended reduction period (qualifying contributory benefits): persons who are not pensioners
102. Amount of extended reduction (qualifying contributory benefits): persons who are not pensioners
103. Extended reductions (qualifying contributory benefits)—movers: persons who are not pensioners
104. Relationship between extended reduction (qualifying contributory benefits) and entitlement to reduction by virtue of classes D to F

CHAPTER 3

105. Extended reductions: applicant moving into the authority's area
PART 13
106. Date on which entitlement begins
107. Date on which change of circumstances is to take effect
108. Change of circumstances where state pension credit in payment
PART 14
109. Making an application
110. Date on which an application is made
111. Back-dating of applications: pensioners
112. Back-dating of applications: persons who are not pensioners
113. Information and evidence
114. Amendment and withdrawal of application
115. Duty to notify changes of circumstances
PART 15
116. Decision by authority
117. Notification of decision
PART 16
118. Payment where there is joint and several liability

SCHEDULE 1 — Procedural matters

PART 1 — Procedure for an application for a reduction under this scheme

1. Procedure by which a person may apply for a reduction under this scheme
2. An application may be made— (a) in writing,
3. (1) An application which is made in writing must be...
4. Where an application made in writing is defective because—
5. (1) If an application made by electronic communication is defective...
6. In a particular case the authority may determine that an...
7. (1) If an application made by telephone is defective the...

PART 2 — Procedure for making an appeal

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

8. Procedure by which a person may make an appeal against certain decisions of the authority
9. The authority must— (a) consider the matter to which the...
10. Where, following notification under paragraph 9(b)(i) or (ii), the person...
PART 3 — Procedure for applying for a discretionary reduction
11. Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act
PART 4 — Electronic communication
12. Interpretation
13. Conditions for the use of electronic communication
14. Use of intermediaries
15. Effect of delivering information by means of electronic communication
16. Proof of identity of sender or recipient of information
17. Proof of delivery of information
18. Proof of content of information

SCHEDULE 2 — Applicable amounts: pensioners

PART 1 — Personal allowances

1. Personal allowance
2. Child or young person amounts
PART 2 — Family premium
3. Family premium
PART 3 — Premiums
4. The premiums specified in Part 4 are, for the purposes...
5. (1) Subject to sub-paragraph (2), for the purposes of this...
6. Severe disability premium
7. Enhanced disability premium
8. Disabled child premium
9. Carer premium
10. Persons in receipt of concessionary payments
11. Person in receipt of benefit
PART 4 — Amounts of premium specified in Part 3
12. (1) Severe Disability Premium— Provision Amount where the applicant satisfies...

SCHEDULE 3 — Applicable amounts: persons who are not pensioners

PART 1 — Personal allowances

1. The amounts specified in column (2) below in respect of...
2. For the purposes of paragraph 1 an applicant is entitled...
3. (1) The amounts specified in column (2) below in respect...
PART 2 — Family premium
4. (1) The amount for the purposes of paragraphs 26(1)(c) and...
PART 3 — Premiums
5. Except as provided in paragraph 6, the premiums specified in...
6. Subject to paragraph 7, where an applicant satisfies the conditions...
7. The following premiums, namely— (a) a severe disability premium to...
8. (1) Subject to sub-paragraph (2), for the purposes of this...
9. Disability premium
10. Additional condition for the disability premium
11. Severe disability premium
12. Enhanced disability premium
13. Disabled child premium
14. Carer premium

15. Persons in receipt of concessionary payments
16. Persons in receipt of benefit for another
PART 4 — Amounts of Premiums Specified in Part 3
17. (1) Disability Premium— Premium Amount where the applicant satisfies the...
PART 5 — The components
18. Subject to paragraph 20 the applicant is entitled to one,...
19. Subject to paragraph 20, the applicant is entitled to one,...
20. (1) The applicant has no entitlement under paragraph 21 or...
21. The work-related activity component
22. The support component
PART 6 — Amount of Components
23. The amount of the work-related activity component is £28.15.
24. The amount of the support component is £34.05.
PART 7 — Transitional Addition
25. (1) The applicant is entitled to the transitional addition calculated...
26. (1) This paragraph applies where— (a) the applicant's entitlement to...
27. (1) This paragraph applies where— (a) the applicant's entitlement to...
PART 8 — Amount of Transitional Addition
28. (1) Subject to paragraph 29, the amount of the transitional...
29. (1) Subject to sub-paragraph (2), where there is a change...

SCHEDULE 4 — Amount of alternative maximum council tax reduction: pensioners and persons who are not pensioners

1. (1) Subject to paragraphs 2 and 3, the alternative maximum...
2. In determining a second adult's gross income for the purposes...
3. Where there are two or more second adults residing with...

SCHEDULE 5 — Sums disregarded from applicant's earnings: pensioners

1. Where two or more of paragraphs 2 to 5 apply...
2. In a case where an applicant is a lone parent,...
3. (1) In a case of earnings from any employment or...
4. (1) If the applicant or, if he has a partner,...
5. (1) £20 is disregarded if the applicant or, if he...
6. (1) Where— (a) the applicant (or if the applicant is...
7. Any amount or the balance of any amount which would...
8. Except where the applicant or his partner qualifies for a...
9. Any earnings, other than earnings referred to in paragraph 40(9)(b),...
10. (1) In a case where the applicant is a person...
11. Where a payment of earnings is made in a currency...

SCHEDULE 6 — Amounts to be disregarded in the calculation of income other than earnings: pensioners

1. In addition to any sum which falls to be disregarded...
2. The whole of any amount included in a pension to...
3. Any mobility supplement under article 20 of the Naval, Military...
4. Any supplementary pension under article 23(2) of the Naval, Military...
5. In the case of a pension awarded at the supplementary...
6. (1) Any payment which is— (a) made under any of...
7. £15 of any widowed parent's allowance to which the applicant...
8. £15 of any widowed mother's allowance to which the applicant...
9. Where the applicant occupies a dwelling as his home and...
10. If the applicant— (a) owns the freehold or leasehold interest...

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

11. Where an applicant receives income under an annuity purchased with...
12. (1) Any payment, other than a payment to which sub-paragraph...
13. Any increase in pension or allowance under Part 2 or...
14. Any payment ordered by a court to be made to...
15. Periodic payments made to the applicant or the applicant's partner...
16. Any income which is payable outside the United Kingdom for...
17. Any banking charges or commission payable in converting to Sterling...
18. Where the applicant makes a parental contribution in respect of...
19. (1) Where the applicant is the parent of a student...
20. (1) Where an applicant's applicable amount includes an amount by...
21. Except in a case which falls under paragraph 10 of...
22. Where the total value of any capital specified in Part...
23. Except in the case of income from capital specified in...
24. Where the applicant, or the person who was the partner...

SCHEDULE 7 — Sums disregarded in the calculation of earnings: persons who are not pensioners

1. In the case of an applicant who has been engaged...
2. In the case of an applicant who, before the first...
3. In the case of an applicant who has been engaged...
4. (1) In a case to which this paragraph applies and...
5. In a case where the applicant is a lone parent,...
6. (1) In a case to which neither paragraph 4 nor...
7. Where the carer premium is awarded in respect of an...
8. In a case where paragraphs 4, 6, 7 and 9...
9. (1) In a case where paragraphs 4, 6, 7 and...
10. Where the applicant is engaged in one or more employments...
11. In a case to which none of the paragraphs 4...
12. (1) Where— (a) the applicant (or if the applicant is...
13. Any amount or the balance of any amount which would...
14. Where an applicant is on income support, an income-based jobseeker's...
15. Any earnings derived from employment which are payable in a...
16. Where a payment of earnings is made in a currency...
17. Any earnings of a child or young person.
18. (1) In a case where the applicant is a person...
19. In this Schedule "part-time employment" means employment in which the...

SCHEDULE 8 — Sums disregarded in the calculation of income other than earnings: persons who are not pensioners

1. Any payment made to the applicant in respect of any...
2. Any payment made to the applicant in respect of any...
3. Any payment made to the applicant in respect of any...
4. Any amount paid by way of tax on income which...
5. Any payment in respect of any expenses incurred or to...
6. Any payment in respect of expenses arising out of the...
7. In the case of employment as an employed earner, any...
8. Where an applicant is on income support, an income-based jobseeker's...
9. Where the applicant is a member of a joint-claim couple...
10. Where the applicant, or the person who was the partner...
11. Any disability living allowance, personal independence payment or an AFIP...

12. Any concessionary payment made to compensate for the non-payment of —...
13. Any mobility supplement under article 20 of the Naval, Military...
14. Any attendance allowance.
15. Any payment to the applicant as holder of the Victoria...
16. (1) Any payment— (a) by way of an education maintenance...
17. Any payment made to the applicant by way of a...
18. (1) Any payment made pursuant to section 2 of the...
19. (1) Subject to sub-paragraph (2), any of the following payments—...
20. Subject to paragraph 40, £10 of any of the following,...
21. Subject to paragraph 40, £15 of any—
22. (1) Any income derived from capital to which the applicant...
23. Where the applicant makes a parental contribution in respect of...
24. (1) Where the applicant is the parent of a student...
25. Any payment made to the applicant by a child or...
26. Where the applicant occupies a dwelling as his home and...
27. Where the applicant occupies a dwelling as his home and...
28. (1) Any income in kind, except where paragraph 54(10)(b) (provision...
29. Any income which is payable in a country outside the...
30. (1) Any payment made to the applicant in respect of...
31. Any payment made to the applicant with whom a person...
32. Any payment made to the applicant or his partner for...
33. Any payment made by a local authority in accordance with...
34. (1) Subject to sub-paragraph (2), any payment (or part of...
35. (1) Subject to sub-paragraph (2), any payment received under an...
36. Any payment of income which by virtue of paragraph 64...
37. Any— (a) social fund payment made pursuant to Part 8...
38. Any payment under Part 10 of the SSCBA (Christmas bonus...
39. Where a payment of income is made in a currency...
40. The total of an applicant's income or, if he is...
41. (1) Any payment made under or by any of the...
42. Any housing benefit.
43. Any payment made by the Secretary of State to compensate...
44. Any payment to a juror or witness in respect of...
45. Any payment in consequence of a reduction of council tax...
46. (1) Any payment or repayment made— (a) as respects England,...
47. Any payment made to such persons entitled to receive benefits...
48. Any payment made by either the Secretary of State for...
49. (1) Where an applicant's applicable amount includes an amount by...
50. (1) Any payment of child maintenance made or derived from...
51. Any payment (other than a training allowance) made, whether by...
52. Any guardian's allowance.
53. (1) If the applicant is in receipt of any benefit...
54. Any supplementary pension under article 23(2) of the Naval, Military...
55. In the case of a pension awarded at the supplementary...
56. (1) Any payment which is— (a) made under any of...
57. Any council tax benefit to which the applicant is entitled...
58. Except in a case which falls under sub-paragraph (1) of...
59. Any payment made under section 12B of the Social Work...
60. (1) Subject to sub-paragraph (2), in respect of a person...
61. (1) Any payment of a sports award except to the...
62. Where the amount of subsistence allowance paid to a person...
63. In the case of an applicant participating in an employment...

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

64. Any discretionary housing payment paid pursuant to regulation 2(1) of...
65. (1) Any payment made by a local authority or by...
66. Any payment of child benefit.

SCHEDULE 9 — Capital disregards: pensioners

PART 1 — Capital to be disregarded

1. Any premises acquired for occupation by the applicant which he...
2. Any premises which the applicant intends to occupy as his...
3. Any premises which the applicant intends to occupy as his...
4. Any premises occupied in whole or in part—
5. Any future interest in property of any kind, other than...
6. Where an applicant has ceased to occupy what was formerly...
7. Any premises where the applicant is taking reasonable steps to...
8. All personal possessions.
9. The assets of any business owned in whole or in...
10. The assets of any business owned in whole or in...
11. The surrender value of any policy of life insurance.
12. The value of any funeral plan contract; and for this...
13. Where an ex-gratia payment has been made by the Secretary...
14. (1) Subject to sub-paragraph (2), the amount of any trust...
15. The amount of any payment, other than a war pension,...
16. (1) Any payment made under or by—
17. (1) An amount equal to the amount of any payment...
18. Any amount specified in paragraph 19, 20, 21 or 25...
19. Amounts paid under a policy of insurance in connection with...
20. So much of any amounts paid to the applicant or...
21. (1) Subject to paragraph 22 any amount paid—
22. (1) Subject to sub-paragraph (3), any payment of £5,000 or...
23. Where a capital asset is held in a currency other...
24. The value of the right to receive income from an...
25. Any arrears of supplementary pension which is disregarded under paragraph...
26. The dwelling occupied as the home; but only one dwelling...
27. (1) Subject to sub-paragraph (2), where an applicant falls within...
28. Where a person elects to be entitled to a lump...
29. Any payments made by virtue of regulations made under—

PART 2 — Capital disregarded only for the purposes of determining deemed income

30. The value of the right to receive any income under...
31. The value of the right to receive any rent except...
32. The value of the right to receive any income under...
33. Where property is held under a trust, other than—

SCHEDULE 10 — Capital disregards: persons who are not pensioners

1. Any payment made to the applicant in respect of any...
2. Any payment made to the applicant in respect of any...
3. Any payment made to the applicant in respect of any...
4. The dwelling together with any garage, garden and outbuildings, normally...
5. Any premises acquired for occupation by the applicant which he...
6. Any sum directly attributable to the proceeds of sale of...
7. Any premises occupied in whole or in part—
8. Where an applicant is on income support, an income-based jobseeker's...
9. Where the applicant is a member of a joint-claim couple...

10. Any future interest in property of any kind, other than...
11. (1) The assets of any business owned in whole or...
12. (1) Subject to sub-paragraph (2), any arrears of, or any...
13. Any sum— (a) paid to the applicant in consequence of...
14. Any sum— (a) deposited with a housing association as defined...
15. Any personal possessions except those which have been acquired by...
16. The value of the right to receive any income under...
17. Where the funds of a trust are derived from a...
18. (1) Any payment made to the applicant or the applicant's...
19. The value of the right to receive any income under...
20. The value of the right to receive any income which...
21. The surrender value of any policy of life insurance.
22. Where any payment of capital falls to be made by...
23. Any payment made by a local authority in accordance with...
24. (1) Subject to sub-paragraph (2), any payment (or part of...
25. Any— (a) social fund payment made pursuant to Part 8...
26. Any refund of tax which falls to be deducted under...
27. Any capital which by virtue of paragraph 55 or 81...
28. Where any payment of capital is made in a currency...
29. (1) Any payment made under or by the Trusts, the...
30. (1) Where an applicant has ceased to occupy what was...
31. Any premises where the applicant is taking reasonable steps to...
32. Any premises which the applicant intends to occupy as his...
33. Any premises which the applicant intends to occupy as his...
34. Any payment made by the Secretary of State to compensate...
35. The value of the right to receive an occupational or...
36. The value of any funds held under a personal pension...
37. The value of the right to receive any rent except...
38. Any payment in kind made by a charity or under...
39. Any payment made pursuant to section 2 of the Employment...
40. Any payment in consequence of a reduction of council tax...
41. Any grant made in accordance with a scheme made under...
42. Any arrears of supplementary pension which is disregarded under paragraph...
43. (1) Any payment or repayment made— (a) as respects England,...
44. Any payment made to such persons entitled to receive benefits...
45. Any payment made under Part 8A of the SSCBA (entitlement...
46. Any payment made either by the Secretary of State for...
47. Any payment (other than a training allowance) made, whether by...
48. Any payment made by a local authority under section 3...
49. (1) Subject to sub-paragraph (2), where an applicant falls within...
50. (1) Any sum of capital to which sub-paragraph (2) applies...
51. Any sum of capital administered on behalf of a person...
52. Any payment to the applicant as holder of the Victoria...
53. In the case of a person who is receiving, or...
54. (1) Any payment of a sports award for a period...
55. (1) Any payment— (a) by way of an education maintenance...
56. In the case of an applicant participating in an employment...
57. Any arrears of subsistence allowance paid as a lump sum...
58. Where an ex-gratia payment of £10,000 has been made by...
59. (1) Subject to sub-paragraph (2), the amount of any trust...
60. The amount of any payment, other than a war pension,...
61. (1) Any payment made by a local authority, or by...

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

62. Any payment made under regulations made under section 57 of...
63. Any payment made to the applicant pursuant to regulations under...
64. Any payment made to the applicant in accordance with regulations...

Explanatory Note