

SCHEDULE 2

Regulation 31(8)

Sums to be disregarded in the calculation of earnings

1. Where two or more of paragraphs 2 to 5 apply in any particular case the overall maximum sum to be disregarded in that case is restricted to—

- (a) £25 in the case of a lone parent; and
- (b) £20 in any other case.

2. In a case where the applicant is a lone parent, £25.

3.—(1) In a case of earnings from any employment or employments to which sub-paragraph (2) applies, £20.

(2) This paragraph applies to employment—

- (a) as a part time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 ^{M1} or a scheme to which section 4 of that Act applies ^{M2};

[^{F1}(b) as a part-time fire-fighter employed by the Scottish Fire and Rescue Service established under section 1A of the Fire (Scotland) Act 2005;]

- (c) as an auxiliary coastguard in respect of coast rescue activities;
- (d) in the manning or launching of a lifeboat if the employment is part-time; and
- (e) as a member of any territorial or reserve force prescribed in Part 1 of Schedule 6 to the Social Security (Contributions) Regulations 2001 ^{M3}.

(3) If—

- (a) any of the earnings of the applicant or the applicant's partner, or both of them, are disregarded under sub-paragraph (1); and
- (b) either of them has, or both of them have, other earnings,

so much of those other earnings as would not if aggregated with the earnings disregarded under sub-paragraph (1) exceed £20.

Textual Amendments

- F1** Sch. 2 para. 3(2)(b) substituted (1.4.2015) by [The Council Tax Reduction \(Scotland\) Amendment Regulations 2015 \(S.S.I. 2015/46\)](#), regs. 1, 21

Marginal Citations

- M1** 2004 c.21.
- M2** Sections 2 and 4 were amended by paragraph 22 of Schedule 1 to the Local Government and Public Involvement in [Health Act 2007 \(c.28\)](#) and Schedule 7 to the [Local Democracy, Economic Development and Construction Act 2009 \(c.20\)](#).
- M3** S.I. 2001/1004, to which there are amendments not relevant to these Regulations.

4.—(1) If the applicant or any partner of the applicant is a carer, or both are carers, £20 of any earnings received from that employment.

(2) Where the carer premium is awarded in respect of the applicant and the applicant's partner, their earnings are, for the purpose of this paragraph, to be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.

Status: Point in time view as at 26/07/2021.

Changes to legislation: The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012, SCHEDULE 2 is up to date with all changes known to be in force on or before 23 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(3) In this paragraph the applicant or the applicant's partner is a carer if paragraph 10 of Schedule 1 (carer premium) is satisfied in respect of the applicant or the applicant's partner.

5.—(1) £20 if the applicant or any partner of the applicant—

(a) is in receipt of—

(i) long-term incapacity benefit under section 30A of the 1992 Act ^{M4};

(ii) severe disablement allowance under section 68 of the 1992 Act ^{M5};

(iii) attendance allowance;

(iv) disability living allowance;

[^{F2}(iva) armed forces independence payment;]

(v) personal independence payment;

[^{F3}(va) child disability payment,]

(vi) any mobility supplement under article 20 of the 2006 Order, any other supplement awarded in respect of disablement which affects a person's ability to walk and for which the person is in receipt of war disablement pension or any mobility supplement under article 25A of the Personal Injuries (Civilians) Scheme 1983 ^{M6};

(vii) the disability element or the severe disability element of working tax credit under Schedule 2 to the Working Tax Credit Regulations ^{M7}; or

(viii) main phase employment and support allowance;

(b) has been certified as blind and in consequence is registered as blind in a register maintained by or on behalf of a local authority in Scotland or is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 ^{M8} (welfare services) [^{F4}or is registered as severely sight impaired in a register kept by a local authority in Wales under section 18(1)(a) of the Social Services and Well-being (Wales) Act 2014];

(c) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the 1992 Act (incapacity for work) and has been incapable, or has been treated as incapable, of work for a continuous period of not less than—

(i) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the 1992 Act ^{M9}, 196 days; and

(ii) in any other case, 364 days; or

(d) has, or is treated as having, limited [^{F5}capability] for work within the meaning of section 1(4) of the Welfare Reform Act 2007 ^{M10} or limited capability for work-related activity within the meaning of section 2(5) of that Act and either—

(i) the assessment phase as defined in section 24(2) of the Welfare Reform Act 2007 has ended; or

(ii) regulation 7 of the Employment and Support Allowance Regulations ^{M11} (circumstances where the condition that the assessment phase has ended before entitlement to the support component ^{F6}... arises does not apply) applies.

(2) Subject to sub-paragraph (3), £20 if the applicant or any partner of the applicant has, within a period of 8 weeks ending on the day in respect of which the applicant or the applicant's partner attains the qualifying age for state pension credit, had an award of housing benefit or was entitled to council tax reduction and under these Regulations or the Council Tax Reduction Regulations—

(a) £20 was disregarded in respect of earnings taken into account in that award or calculation of entitlement to council tax reduction; and

Status: Point in time view as at 26/07/2021.

Changes to legislation: The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012, SCHEDULE 2 is up to date with all changes known to be in force on or before 23 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(b) the person whose earnings qualified for the disregard continues in employment after the termination of that award of housing benefit or entitlement to council tax reduction.

(3) The disregard of £20 specified in sub-paragraph (2) applies so long as there is no break, other than a break which does not exceed 8 weeks, in a person's entitlement to housing benefit or council tax reduction or in employment following the first day in respect of which that housing benefit is awarded or the person becomes entitled to council tax reduction.

(4) £20 is the maximum amount which may be disregarded under this paragraph, notwithstanding that the applicant and any partner of the applicant may each satisfy the requirements of this paragraph.

Textual Amendments

- F2** Sch. 2 para. 5(1)(a)(iva) inserted (11.6.2013) by [The Welfare Reform \(Consequential Amendments\) \(Scotland\) \(No. 3\) Regulations 2013 \(S.S.I. 2013/142\)](#), regs. 1, **12(8)**
- F3** Sch. 2 para. 5(1)(a)(va) inserted (26.7.2021) by [The Disability Assistance for Children and Young People \(Consequential Amendment and Transitional Provision\) \(Scotland\) Regulations 2021 \(S.S.I. 2021/73\)](#), regs. 1, **14(7)** (with reg. 19)
- F4** Words in sch. 2 para. 5(1)(b) inserted (6.4.2016) by [The Council Tax Reduction \(Scotland\) Amendment Regulations 2016 \(S.S.I. 2016/81\)](#), regs. 1(4), **19(4)**
- F5** Word in sch. 2 para. 5(1)(d) substituted (1.10.2013) by [The Council Tax Reduction \(Scotland\) Amendment \(No. 2\) Regulations 2013 \(S.S.I. 2013/218\)](#), regs. 1, **15**
- F6** Words in sch. 2 para. 5(1)(d)(ii) omitted (20.11.2017) by virtue of [The Council Tax Reduction \(Scotland\) Amendment \(No. 2\) Regulations 2017 \(S.S.I. 2017/326\)](#), regs. 1, **16**

Marginal Citations

- M4** Section 30A was inserted by the [Social Security \(Incapacity for Work\) Act 1994 \(c.18\)](#) and amended by section 64 of the [Welfare Reform and Pensions Act 1999 \(c.30\)](#) and paragraph 14 of Schedule 24 to the [Civil Partnership Act 2004 \(c.33\)](#).
- M5** Section 68 was repealed by Schedule 13 of the [Welfare Reform and Pensions Act 1999 \(c.30\)](#) subject to savings provisions in [S.I. 2000/2958](#).
- M6** [S.I. 1983/686](#) as relevantly amended by [S.I. 1983/1164](#), 1540, 1986/628, 1990/1300, 1991/708, 1992/702, 1995/445 and 2001/420.
- M7** Schedule 2 was amended by [S.I. 2012/849](#).
- M8** [1948 c.29](#). Section 29 was repealed in relation to Scotland by Schedule 9 to the [Social Work \(Scotland\) Act 1968 \(c.49\)](#). In relation to England and Wales, section 29 was amended by section 1 of the [National Assistance \(Amendment\) Act 1959 \(c.30\)](#), [Schedule 4](#) to the [Mental Health \(Scotland\) Act 1960 \(c.61\)](#), [section 195](#) of, and paragraph 2 of Schedule 23 and Schedule 30 to, the [Local Government Act 1972 \(c.70\)](#), [paragraph 3](#) of Schedule 3 to the [Employment and Training Act 1973 \(c.50\)](#), [section 30](#) of and Schedule 10 to the [Health and Social Services and Social Security Adjudications Act 1983 \(c.41\)](#), [section 44](#) of the [National Health Service and Community Care Act 1990 \(c.19\)](#), [paragraph 8](#) of Schedule 1 to the [National Health Service \(Consequential Provisions\) Act 2006 \(c.43\)](#) and section 147 of the [Health and Social Care Act 2008 \(c.14\)](#).
- M9** Section 30B was inserted by the [Social Security \(Incapacity for Work\) Act 1994 \(c.18\)](#) and amended by paragraph 21 of Schedule 4 to the [Pensions Act 1995 \(c.26\)](#), [paragraph 22](#) of Schedule 8 to the [Welfare Reform and Pensions Act 1999 \(c.30\)](#), [paragraph 15](#) of Schedule 24 to the [Civil Partnership Act 2004 \(c.33\)](#) and Schedule 7 to the [Pensions Act 2007 \(c.22\)](#).
- M10** [2007 c.5](#).
- M11** Regulation 7 was amended by [S.I. 2008/3051](#), 2010/840 and 2012/874, 913 and 919.

6.—(1) Where—

Status: Point in time view as at 26/07/2021.

Changes to legislation: The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012, SCHEDULE 2 is up to date with all changes known to be in force on or before 23 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
 - (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
 - (c) regulation 24 (applicant in receipt of guarantee credit) does not apply,
- the amount specified in sub-paragraph (7) (“the specified amount”).

(2) Where this paragraph applies, paragraphs 1 to 5 and 8 do not apply, but in any case where the applicant is a lone parent and the specified amount would be less than the amount specified in paragraph 2, paragraph 2 applies instead of this paragraph.

(3) Notwithstanding regulation 21 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple (“A”) it does not apply to the other member of that couple (“B”) except to the extent provided for in sub-paragraph (4).

(4) Where A's earnings are less than the specified amount, so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount, but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.

(5) This sub-paragraph applies to a person who is—

- (a) in receipt of a contributory employment and support allowance;
- (b) in receipt of incapacity benefit;
- (c) in receipt of severe disablement allowance; or
- (d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975 ^{M12}.

(6) In this paragraph “exempt work” means work of the kind described in—

- (a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations ^{M13}; or as the case may be;
- (b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995 ^{M14},

and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial if that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts.

Marginal Citations

M12 S.I. 1975/556 as relevantly amended by S.I. 1996/2367, 2000/3120, 2003/521, 2008/1554, 2010/385 and 2012/913.

M13 Regulation 45(3) and (4) was amended by S.I. 2010/840 and 2011/674.

M14 S.I. 1995/311 as relevantly amended by S.I. 2006/757, 2008/2365 and 2683, 2010/840 and 2011/674.

7. Any amount or the balance of any amount which would fall to be disregarded under paragraph 17 or 18 (parental and other contributions towards student maintenance) of Schedule 3 had the applicant's income which does not consist of earnings been sufficient to entitle the applicant to the full disregard under those paragraphs.

Status: Point in time view as at 26/07/2021.

Changes to legislation: The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012, SCHEDULE 2 is up to date with all changes known to be in force on or before 23 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

8. Except where the applicant or the applicant's partner qualifies for a £20 disregard under the preceding provisions of this Schedule—

- (a) £5 if an applicant who has no partner has earnings; and
- (b) £10 if an applicant who has a partner has earnings.

9. Any earnings, other than earnings referred to in regulation 31(8)(b) (calculation of weekly income), derived from employment which ended before the day in respect of which the applicant first satisfies the conditions for entitlement to council tax reduction in regulation 14.

10.—(1) In a case where the applicant is a person who satisfies at least one of the conditions in sub-paragraph (2), and the applicant's net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of the applicant's earnings to be disregarded must be increased by [^{F7}£37.10 until and including 4 April 2021, and after that by £17.10].

(2) The conditions referred to in sub-paragraph (1) are that—

- (a) the applicant or, if the applicant is a member of a couple either the applicant or the other member of the couple, is a person to whom regulation 20(1)(c) of the Working Tax Credit Regulations applies; or
- (b) the applicant—
 - (i) is, or any partner of the applicant's is, aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week;
 - (ii) if the applicant is a member of a couple—
 - (aa) at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and
 - [^{F8}(bb) the applicant's family includes at least one child or young person;]
 - (iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or
 - (iv) the applicant or, if the applicant is a member of a couple, at least one member of the couple is engaged in remunerative work for on average not less than 16 hours per week and paragraph 5(1) is satisfied in respect of that person.

(3) The following are the amounts referred to in sub-paragraph (1)—

- (a) any amount disregarded under this Schedule;
- (b) the amount of child care charges calculated as deductible under regulation 29(1)(c) (treatment of child care charges); and
- (c) [^{F9}£37.10 until and including 4 April 2021, and after that £17.10].

(4) The provisions of regulation 6 (remunerative work) apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in regulation 6(1) was a reference to 30 hours.

Textual Amendments

- F7** Words in sch. 2 para. 10(1) substituted (6.4.2020) by The Council Tax Reduction (Scotland) Amendment (No. 3) (Coronavirus) Regulations 2020 (S.S.I. 2020/108), regs. 1, **3(a)(i)**
- F8** Sch. 2 para. 10(2)(b)(ii)(bb) substituted (1.5.2016) by The Council Tax Reduction (Scotland) Amendment Regulations 2016 (S.S.I. 2016/81), regs. 1(3), **18(3)** (with reg. 2)
- F9** Words in sch. 2 para. 10(3)(c) substituted (6.4.2020) by The Council Tax Reduction (Scotland) Amendment (No. 3) (Coronavirus) Regulations 2020 (S.S.I. 2020/108), regs. 1, **3(a)(ii)**

Status: Point in time view as at 26/07/2021.

Changes to legislation: The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012, SCHEDULE 2 is up to date with all changes known to be in force on or before 23 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

11. Where a payment of earnings is made in a currency other than sterling, any banking charge or commission payable in converting to that payment into sterling.

12. Any payment in consequence of a reduction of council tax under section 13 or 80 of the Act
M15 .

.....
Marginal Citations

M15 Section 13 was amended by paragraph 42 of Schedule 7 to the [Local Government Act 2003 \(c.26\)](#).
Section 80 was amended by paragraph 176 of Schedule 13 to the [Local Government etc. \(Scotland\) Act 1994 \(c.39\)](#).

Status:

Point in time view as at 26/07/2021.

Changes to legislation:

The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012, SCHEDULE 2 is up to date with all changes known to be in force on or before 23 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.