

SCHEDULE 3 **S**

Regulation 31(10)

Sums to be disregarded in the calculation of income other than earnings

1. Each of the following payments—
 - (a) a war disablement pension (except insofar as that pension is to be disregarded under paragraph 2);
 - (b) a war widow's pension or war widower's pension;
 - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - (d) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 39(3)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011 ^{M1}, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;
 - (e) a payment made to compensate for the non-payment of a pension or payment mentioned in sub-paragraphs (a) to (d);
 - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d); and
 - (g) a pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

Marginal Citations

M1 S.I. 2011/517.

2. Any mobility supplement under article 20 of the 2006 Order (including a mobility supplement under any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 ^{M2} or any payment intended to compensate for the non-payment of such a supplement.

Marginal Citations

M2 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.

3. Any supplementary pension under article 23(2) of the 2006 Order (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.

4. In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to surviving spouses and surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

- 5.—(1) Any payment which is—
 - (a) made under any of the Dispensing Instruments to a widow, widower or surviving civil partner of a person—

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- (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
 - (ii) whose service in such capacity terminated before 31st March 1973; and
- (b) equal to the amount specified in article 23(2) of the 2006 Order.

(2) In this paragraph “the Dispensing Instruments” means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

6. £15 of any widowed parent's allowance to which the applicant is entitled under section 39A of the 1992 Act ^{M3}.

Marginal Citations

M3 Section 39A was inserted by section 55 of the [Welfare Reform and Pensions Act 1999 \(c.30\)](#) and amended by paragraph 3 of Schedule 1 to the [Child Benefit Act 2005 \(c.6\)](#), **paragraph 20** of Schedule 24, and Schedule 30, to the [Civil Partnership Act 2004 \(c.33\)](#) and section 51 of the [Welfare Reform Act 2007 \(c.5\)](#).

7. £15 of any widowed mother's allowance to which the applicant is entitled under section 37 of the 1992 Act ^{M4}.

Marginal Citations

M4 Section 37 was amended by paragraph 2 of Schedule 1 to the [Child Benefit Act 2005 \(c.6\)](#), **paragraph 18** of Schedule 24, and Schedule 30, to the [Civil Partnership Act 2004 \(c.33\)](#) and section 50 of the [Welfare Reform Act 2007 \(c.5\)](#).

8. Where the applicant occupies a dwelling as a home and provides in that dwelling board and lodging accommodation for a charge, an amount in respect of each person for whom the accommodation is provided for the whole or any part of a week, equal to—

- (a) where the aggregate of any payments made in respect of any one week in respect of the board and lodging accommodation provided to such persons does not exceed £20, 100 per cent of the aggregate of the payments; or
- (b) where the aggregate of any payments made in respect of any one week exceeds £20, £20 and 50 per cent of the excess of the aggregate of the payments over £20.

9. If the applicant—

- (a) owns the freehold or leasehold interest in any property or is a tenant of any property;
- (b) occupies a part of that property; and
- (c) has an agreement with another person allowing that person to occupy another part of that property on payment of rent and—
 - (i) the amount paid by that person is less than £20 per week, the whole of that amount; or
 - (ii) the amount paid is £20 or more per week, £20.

10. Where an applicant receives income under an annuity purchased with a loan which satisfies the following conditions—

- (a) that the loan was made as part of a scheme under which not less than 90 per cent of the proceeds of the loan were applied to the purchase by the person to whom it was made of

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- an annuity ending with the applicant's life or with the life of the survivor of two or more persons (“the annuitants”) who include the person to whom the loan was made;
- (b) that at the time the loan was made the person to whom it was made or each of the annuitants had attained the ^{F1}qualifying age for state pension credit];
 - (c) that the loan was secured on a dwelling in Great Britain and the person to whom the loan was made or one of the annuitants owns an interest in that dwelling;
 - (d) that the person to whom the loan was made or one of the annuitants occupies the dwelling on which it was secured as a home at the time the interest is paid; and
 - (e) that the interest payable on the loan is paid by the person to whom the loan was made or by one of the annuitants,

an amount, calculated on a weekly basis, equal to—

- (i) where, or insofar as, section 369 of the Income and Corporation Taxes Act 1988 ^{M5} (mortgage interest payable under deduction of tax) applies to the payments of interest on the loan, the interest which is payable after deduction of a sum equal to income tax on such payments at the applicable percentage of income tax within the meaning of section 369(1A) of that Act; and
- (ii) in any other case, the interest which is payable on the loan without deduction of such a sum.

Textual Amendments

F1 Words in sch. 3 para. 10(b) substituted (1.2.2021) by [The Council Tax Reduction \(Scotland\) Amendment \(No. 4\) Regulations 2020 \(S.S.I. 2020/413\)](#), regs. 1, 14

Marginal Citations

M5 1988 c.1. Section 369 was amended by section 58 of the [Finance Act 1993 \(c.34\)](#), [section 81](#) of the [Finance Act 1994 \(c.9\)](#), [paragraph 6](#) of Schedule 18 to the [Finance Act 1996 \(c.8\)](#), [paragraph 4](#) of Schedule 4 to the [Finance Act 1999 \(c.16\)](#), section 83 of the [Finance Act 2000 \(c.17\)](#), and paragraph 33 of Schedule 1 to the [Corporation Tax Act 2010 \(c.4\)](#).

11.—(1) Any payment, other than a payment to which sub-paragraph (2) applies, made to the applicant by trustees in exercise of a discretion exercisable by them.

(2) This sub-paragraph applies to payments made to the applicant by trustees in exercise of a discretion exercisable by them for the purpose of—

- (a) obtaining food, ordinary clothing or footwear or household fuel;
 - (b) the payment of rent, council tax or water charges for which that applicant or the applicant's partner is liable; and
 - (c) meeting housing costs of a kind specified in Schedule 2 to the State Pension Credit Regulations 2002 ^{M6}.
- (3) In a case to which sub-paragraph (2) applies, £20 or—
- (a) if the payment is less than £20, the whole payment;
 - (b) if, in the applicant's case, £10 is disregarded in accordance with paragraph 1, £10 or the whole payment if it is less than £10; or
 - (c) if, in the applicant's case, £15 is disregarded under paragraph 6 or 7 and—
 - (i) the applicant has no disregard under paragraph 1, £5 or the whole payment if it is less than £5; or

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- (ii) the applicant has a disregard under paragraph 1, nil.
- (4) In this paragraph—
- (a) “ordinary clothing or footwear” means clothing or footwear for normal daily use, but does not include school uniforms or clothing and footwear used solely for sporting activities; and
- (b) “water charges” means—
- (i) any water and sewerage charges established by Scottish Water under a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002 ^{M7}, in so far as such charges are in respect of the dwelling which the applicant occupies as a home; or
- (ii) any water and sewerage charges under chapter 1 of Part 5 of the Water Industry Act 1991 ^{M8}.

Marginal Citations

- M6** [S.I. 2002/1792](#) as relevantly amended by [S.I. 2002/3019](#) and 3197, 2003/1195 and 2274, 2004/552, 2327 and 2825, 2005/522, 2687 and 3360, 2006/645, 718, 2378 and 3274, 2007/688, 2618 and 3183, 2008/632, 698, 1554, 2767 and 3195, 2009/497, 583, 2010/641 and 1811, 2011/821 and 2425 and 2012/780 and 913.
- M7** [2002 asp 3](#). Section 29A was inserted by section 21 of the [Water Services etc. \(Scotland\) Act 2005 \(asp 3\)](#).
- M8** [1991 c.56](#). Chapter 1 of Part 5 was amended by section 53 of the [Competition and Service \(Utilities\) Act 1992 \(c.43\)](#), [paragraphs 114](#) and 115 of Schedule 22 to the [Environment Act 1995 \(c.25\)](#), [sections 3 to 7](#) and 9 of, and paragraphs 1 to 3 of Schedule 3 and Schedule 4 to, the [Water Industry Act 1999 \(c.9\)](#), [section 59](#) of, and paragraphs 33 and 34 of Schedule 8 to, the [Water Act 2003 \(c.37\)](#), [paragraph 77](#) of Schedule 1 and Schedule 2 to the [Fire and Rescue Services Act 2004 \(c.21\)](#) and section 45 of the [Water Management Act 2010 \(c.29\)](#).

12. Any increase in pension or allowance under Part 2 or 3 of the 2006 Order paid in respect of a dependent other than the pensioner's partner.

13. Any payment ordered by a court to be made to the applicant or the applicant's partner in consequence of any accident, injury or disease suffered by the person or a child of the person to or in respect of whom the payments are made.

14. Periodic payments made to the applicant or the applicant's partner under an agreement entered into in settlement of a claim made by the applicant or the applicant's partner for an injury suffered by the applicant or the applicant's partner as the case may be.

15. Any income which is payable outside the United Kingdom for a period during which there is a prohibition against the transfer to the United Kingdom of that income.

16. Any banking charges or commission payable in converting to sterling payments of income made in a currency other than sterling.

17. Where the applicant makes a parental contribution in respect of a student attending a course of study in the United Kingdom which contribution has been assessed for the purposes of calculating—

- (a) under regulations made under section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship or other allowance under that section or under regulations made under section 73 of that Act ^{M9}, any payment to that student under that section;
- (b) the student's student loan, an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable; or

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(c) under or pursuant to regulations made under sections 1 or 2 of the Education Act 1962^{M10} or section 22 of the Teaching and Higher Education Act 1998^{M11},
that student's award.

Marginal Citations

- M9** 1980 c.44. Section 49 was amended by section 82 of, and paragraph 8 of Schedule 10 to, the Self-Governing Schools etc. (Scotland) Act 1989 (c.39) and section 5 of the Schools (Health Promotion and Nutrition) (Scotland) Act 2007 (asp 15). Section 73 was amended by section 73 of the Self-Governing Schools etc. (Scotland) Act 1989 (c.39) and section 3 of the Education (Graduate Endowment and Student Support) (Scotland) Act 2001 (asp 6).
- M10** 1962 c.12. Sections 1 and 2 were repealed by Schedule 4 to the Teaching and Higher Education Act 1998 (c.30) subject to savings provision in S.I. 1998/3237 and 2010/1158.
- M11** 1998 c.30. Section 22 was amended by section 146 of, and Schedule 11 to, the Learning and Skills Act 2000 (c.21), **paragraph 236** of Schedule 6 to the Income Tax (Earnings and Pensions) Act 2003 (c.1), **section 147** of the Finance Act 2003 (c.14), **sections 42** and **43** of, and Schedule 7 to, the Higher Education Act 2004 (c.8), **section 257** of the Apprenticeships, Skills, Children and Learning Act 2009 (c.22) and section 76 of the Education Act 2011 (c.21).

18.—(1) Where the applicant is the parent of a student aged under 25 who either—

- (a) is not in receipt of any award, grant or student loan in respect of that education; or
- (b) is in receipt of an award under section 2 of the Education Act 1962 (discretionary awards) an award bestowed by virtue of the Teaching and Higher Education Act 1998 or regulations made under that Act, a bursary, scholarship or other allowance under section 49(1) of the 1980 Act or a payment under section 73 of the 1980 Act,

and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 17, an amount specified in sub-paragraph (2) in respect of each week during the student's term.

(2) For the purposes of sub-paragraph (1), the amount is the sum equal to the lesser of—

- (a) the weekly amount of the payments; or
- (b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b).

[^{F2}18A.—(1) Any payment made in respect of a person who is a member of the applicant's family—

- (a) in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes) or pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002;
- (b) which is a payment made by a local authority in pursuance of section 50 of the Children Act 1975 (payments towards maintenance of children) or section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance where the child is living with a person as a result of a residence order);
- (c) which is a payment made by an authority, as defined in article 2 of the Children (Northern Ireland) Order 1995, in pursuance of article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance); or
- (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

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(2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.]

Textual Amendments

F2 Sch. 3 paras. 18A, 18B inserted (1.4.2016) by [The Council Tax Reduction \(Scotland\) Amendment Regulations 2016 \(S.S.I. 2016/81\)](#), regs. 1(2), **25**

[**F218B.** Any payment made by a local authority in accordance with section 12 of the Social Work (Scotland) Act 1968 (general social welfare services of local authorities), section 22 of the Children (Scotland) Act 1995 (promotion of welfare of children in need) or section 17 of the Children Act 1989 (provision of services for children in need, their families and others).]

Textual Amendments

F2 Sch. 3 paras. 18A, 18B inserted (1.4.2016) by [The Council Tax Reduction \(Scotland\) Amendment Regulations 2016 \(S.S.I. 2016/81\)](#), regs. 1(2), **25**

19.—(1) Where an applicant's [**F3**family includes at least one child or young person], £15 of any payment of aliment or maintenance, whether under a court order or not, which is made or due to be made by the applicant's spouse, civil partner, former spouse or former civil partner or the applicant's partner's spouse, civil partner, former spouse or former civil partner.

(2) For the purposes of sub-paragraph (1), where more than one aliment or maintenance payment is to be taken into account in any week, all the aliment or maintenance payments must be aggregated and treated as if they were a single payment.

Textual Amendments

F3 Words in sch. 3 para. 19(1) substituted (1.5.2016) by [The Council Tax Reduction \(Scotland\) Amendment Regulations 2016 \(S.S.I. 2016/81\)](#), regs. 1(3), **18(4)** (with reg. 2)

20. In a case where the conditions of paragraph 10(2) of Schedule 2 (sums to be disregarded in the calculation of earnings) are met but the applicant's earnings are not disregarded for the purposes of that paragraph, any amount of working tax credit up to [**F4**£37.10 until and including 4 April 2021 and after that up to £17.10].

Textual Amendments

F4 Words in sch. 3 para. 20 substituted (6.4.2020) by [The Council Tax Reduction \(Scotland\) Amendment \(No. 3\) \(Coronavirus\) Regulations 2020 \(S.S.I. 2020/108\)](#), regs. 1, **3(b)**

21. Where the total value of any capital specified in Part 2 of Schedule 4 (capital not to be treated as income under regulation 27(2)) does not exceed £10,000, any income actually derived from such capital.

22. Except in the case of income from capital specified in Part 2 of Schedule 4, any actual income from capital.

23. Where the applicant, or a person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to

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be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 ^{M12} as in force at that date, the whole of the applicant's income.

Marginal Citations

M12 [S.I. 1999/2734](#).

[^{F5}**24.** Any payment or interest on a payment made under the Windrush Compensation Scheme (Expenditure) Act 2020.]

Textual Amendments

F5 [Sch. 3 para. 24](#) substituted (5.11.2023) by [The Council Tax Reduction \(Scotland\) Amendment \(No. 3\) Regulations 2023 \(S.S.I. 2023/268\)](#), regs. 1, **2(5)**

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Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- Sch. 2 para. 5(1)(iiia) inserted by [S.S.I. 2024/141 reg. 9\(7\)](#)
- Sch. 4 para. 21(2)(ab) inserted by [S.S.I. 2024/141 reg. 9\(8\)](#)
- reg. 27(1)(j)(iiic) inserted by [S.S.I. 2024/141 reg. 9\(3\)](#)
- reg. 29(11)(f)(iia) inserted by [S.S.I. 2024/141 reg. 9\(4\)](#)
- reg. 48(6)(b)(ia) inserted by [S.S.I. 2024/141 reg. 9\(5\)\(a\)](#)