

**Changes to legislation:** The Council Tax Reduction (Scotland) Regulations 2021, Paragraph 12 is up to date with all changes known to be in force on or before 26 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) View outstanding changes

### SCHEDULE 3

#### Sums to be disregarded in the calculation of earnings

##### 12.—(1) Where—

- (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, and
- (b) the relevant authority is satisfied that that person is undertaking exempt work,

the amount specified in sub-paragraph (7) (“the specified amount”).

(2) Where this paragraph applies, paragraphs 4 to 11 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 5, paragraph 5 applies instead of this paragraph.

(3) Notwithstanding regulation 36 (calculation of income and capital of members of applicant’s family), 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, there must also be disregarded 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 relevant authority 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 under sections 30A, 40 or 41 of the 1992 Act<sup>(1)</sup>,
- (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<sup>(2)</sup>.

##### (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<sup>(3)</sup>[<sup>F1</sup>or regulation 39 of the Employment and Support Allowance Regulations 2013], or (as the case may be),
- (b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995<sup>(4)</sup>,

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 whether 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 of those provisions is relevant and those provisions mention different amounts of money, the highest of those amounts).

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(1) Section 30A was inserted by section 1 of the Social Security (Incapacity for Work) Act 1994 (c.18) (“the 1994 Act”) and amended by section 64 of the Welfare Reform and Pensions Act 1999 (c.30) and paragraph 14 of schedule 24 of the Civil Partnership Act 2004 (c.33). Section 40 was substituted by paragraph 8 of schedule 1 of the 1994 Act. Section 41 was substituted by paragraph 9 of schedule 1 of the 1994 Act and amended by paragraph 21 of schedule 4 of the Pensions Act 1995 (c.26).

(2) S.I. 1975/556. Regulation 8B was added by S.I. 1996/2367 and amended by S.I. 2000/3120, S.I. 2003/521, S.I. 2008/1554, S.I. 2010/385, S.I. 2012/913 and S.I. 2013/630.

(3) Regulation 45(3) and (4) was amended by S.I. 2010/840, S.I. 2011/674 and S.I. 2017/205.

(4) S.I. 1995/311. Regulation 17 was substituted by S.I. 2006/757. Regulation 17(3) was amended by S.I. 2010/840 and S.I. 2011/674. Regulation 17(4) was amended by S.I. 2010/840, S.I. 2011/674 and S.I. 2017/205.

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**Textual Amendments**

- F1** Words in [sch. 3 para. 12\(6\)\(a\)](#) inserted (20.6.2022) by [The Council Tax Reduction \(Scotland\) Amendment \(No. 3\) Regulations 2022 \(S.S.I. 2022/161\)](#), regs. 1, **3(5)(b)**
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**Commencement Information**

- I1** [Sch. 3 para. 12](#) in force at 1.4.2022, see [reg. 1](#)

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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. 1 para. 12(1)(a)(iii**b**) inserted by [S.S.I. 2024/141 reg. 11\(5\)\(b\)\(ii\)](#)
- reg. 77(12)(f)(xii) and word inserted by [S.S.I. 2024/141 reg. 11\(3\)\(b\)](#)
- reg. 90(6)(b)(vii) and word inserted by [S.S.I. 2024/141 reg. 11\(4\)\(a\)\(ii\)](#)