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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Council Tax Reduction (Scotland) Regulations 2021 (“the Working Age Regulations”) and the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (“the Pension Age Regulations”). Regulations 3 to 26 (Part 2) amend the Working Age Regulations and regulations 28 to 33 (Part 3) amend the Pension Age Regulations.

Part 2 of the Regulations makes corrections and clarifications to the Working Age Regulations, as laid, the more significant of which include those described in the paragraphs immediately following. Those Regulations are amended so that the changes for correction and clarification will have effect on the day that those Regulations come into force. Part 2 also includes provision for uprating of figures in the Working Age Regulations.

Regulation 3 makes various amendments to regulation 4 of the Working Age Regulations, including to clarify that reference to an ‘award of universal credit’ includes any award of universal credit the value of which is zero.

Regulation 5 amends regulation 16 to insert new categories into the list of persons who are not to be treated as not being in Great Britain.

Regulation 6 amends regulation 20(3)(f) so that a period of limited capacity for work, in terms of the new-style employment and support allowance under the Employment and Support Allowance Regulations 2013, counts towards entitlement to council tax reduction in the same way as a period of limited capacity for work under the old-style equivalent.

Regulation 7 amends regulation 34, and inserts a new paragraph 34A, to expand provision as to when changes of circumstances take effect, in particular with reference to cases where the applicant has an award of universal credit.

Regulation 8 amends regulation 35 to clarify that the transitional family premium under regulation 98 and the transitional addition under the Council Tax Reduction (Scotland) Regulations 2012 is included, where appropriate, in the weekly applicable amount.

Regulations 9(b), 11, and 12 amend regulations 38, 42 and 55 to clarify that student income is unearned income.

Regulation 10 inserts a new regulation 41A, making provision as to taking account of tax credits in calculating average weekly unearned income.

Regulation 13 makes a number of amendments to regulation 57. This includes amending regulation 57(1)(r) so that child tax credits do not count as unearned income in any situation where child tax credits continue to be paid in respect of a child or young person, but there is no longer a child premium of council tax reduction in respect of the child or young person included in the applicant’s applicable amount. Regulation 57(2)(d)(iv) is amended to ensure that the amount of an award of universal credit left after application of the benefit cap is only counted as unearned income where an applicant has an award of universal credit which is less than the transitional or child element of council tax reduction to which they are entitled or, where they are entitled to both, the total of both elements.

Regulation 14 amends regulation 62 to reflect the fact that assessment periods for universal credit payments are based on calendar months, rather than periods of weeks.

Regulations 15, 16 and 18 make consequential amendments to the Working Age Regulations in connection with the introduction of adult disability payment. Regulation 15 also provides for the

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

omission of regulation 77(9)(m), removing an inconsistency with the other types of care provider described in paragraph (9).

Regulation 18 also amends schedule 1 to insert a new paragraph 4A. This enables an additional amount to be added to the applicable amount in certain circumstances where a child or young person in receipt of or entitled to certain disability benefits is placed with a kinship carer. Further, paragraphs 3 and 14 of schedule 1 are amended to correct an error in relation to entitlement to the disabled child premium and enhanced disability premium of council tax reduction, at working age.

Regulation 19 amends the table in paragraph 1 of schedule 2 to ensure that households with a second adult who is in receipt of universal credit and has no earned income are treated in the same way as households with second adults receiving qualifying income-related benefits and state pension credit.

Regulation 20(b)(i) amends paragraph 4(2) of schedule 3 so that the age and employment conditions for disregarding the sum of £20 in the calculation of earnings where an applicant is a member of a couple apply only where the applicant has included in their applicable amount disability premium provided for in schedule 1, not severe disability premium, work-related activity component or support component. Regulation 20(b)(ii) inserts a new paragraph (2A) so that paragraph 4 also applies where an applicant is not a member of a couple and has included in their applicable amount disability premium, severe disability premium, work-related activity component or support component under schedule 1.

Regulation 20(b)(iii) expands paragraph 4(3) of schedule 3 to provide that, where the applicant is a member of a couple and has an award of universal credit, a 'limited capability for work' element of a universal credit award gives rise to entitlement to the disregard, provided the requirements as to age and employment in head (b) of paragraph 4(3) are also met. The conditions in head (b) of paragraph 4(3) are also amended so that, for paragraph 4 to apply where the applicant is a member of a couple and has an award of universal credit, either the applicant or the applicant's partner must not have reached the qualifying age for state pension credit, while the other member of the partnership has reached that age.

Regulation 21 expands schedule 4 to provide that payment of a sports award is discounted in the calculation of capital, except to the extent that the award covers living expenses, such as food and ordinary clothing and footwear.

Regulations 23 to 26 uprate figures used to calculate the amount of council tax reduction a person is entitled to under the Working Age Regulations.

Part 3 of the Regulations amends the Pension Age Regulations.

Regulation 28 amends paragraph 8 of schedule 1 of the Pension Age Regulations to correct an error relating to entitlement to the enhanced disability premium of council tax reduction, among those who have reached the qualifying age for state pension credit.

Regulation 29 amends the table in paragraph 1 of schedule 5 to provide that households in which there is a second adult who is in receipt of universal credit and has no earned income are treated in the same way as households with second adults on qualifying income-related benefits and state pension credit.

Regulations 30 to 33 uprate figures used to calculate the amount of council tax reduction an applicant is entitled to receive under the Pension Age Regulations.