

Council Tax Reduction Scheme

What is the Council Tax Reduction Scheme (CTR)?

The council tax reduction scheme provides help with your council tax bill if you are on a low income. The Council Tax Reduction (CTR) scheme started in April 2013. The scheme replaced the Council Tax Benefit scheme and is different because it works by calculating a reduction or discount to your council tax bill, instead of awarding a benefit payment.

How is CTR calculated?

The amount of reduction you receive depends on your council tax band and will be worked out by comparing your household's actual income with a basic amount (known as the applicable amount) set by the government. Where income is below the applicable amount, the highest amount of council tax reduction will be awarded. As income rises above the applicable amount, so the level of benefit /reduction falls.

What is the maximum amount of CTR I can receive?

If you are of pension credit age, you may receive help with all or some of your council tax, depending on your income and personal circumstances.

If you are of working age but considered protected, you may receive help with all or some of your council tax, depending on your income and personal circumstances. To be considered protected, you must be receiving one or more of the following income: War Disablement Pension, War Widows Pension, Disability Living Allowance – any rate or component type or Personal Independence Payment – any rate or component type.

If you are of working age and not considered protected, your council tax reduction will be based on 80% of your council tax liability. This means you will still have to pay at least 20% of the council tax charge, even if you are on a low income or receiving benefits.

Is there a limit on the amount of capital I have?

If you are of working age, (regardless of whether you are protected or not) you will not be eligible to claim council tax reduction should you have savings or capital of £10,000 or more.

If you are of pension credit age, you will not be eligible to claim council tax reduction if you have savings or capital of £16,000 or more.

Non-dependent deduction

In households where there are working age children or relatives a (non-dependent), a fixed reduction will be made for each non-dependent. To find out the current rate, refer to the full scheme.