

### Examples of new LCTR awards compared to the old scheme

The current scheme is a means tested scheme, complex rules determine the amount which a claimant should be able to live on, this is known as the applicable amount and once determined it is compared to the income after the deduction of various income disregards. Claimants whose income is determined as equal to or less than the applicable amount, are entitled to the maximum 85% Council Tax reduction, unless their capital excludes them from the scheme. Pass-ported benefits are paid by the DWP to claimants whose income is less than the amount determined they should be able to live on to meet the shortfall. Of the 3364 working age claimants, 2188 claimants are in receipt of a pass-ported benefit and these will be placed in Band 1 of the new scheme and will therefore continue to be entitled to 85% council tax reduction.

The following tables show how claimant could be affected by the proposed changes to the scheme. Comparisons are very difficult because all claimants circumstances are different so where as a couple with two children may be better off under the banded scheme, another couple may be worse off.

Also to be noted, the LCTRS has changed in line with housing benefit and all other means tested benefits. For example, for any new claim, only the first two children are taken into account when calculating how much a person needs to live on, however claimants with more than two children who have been in continuous receipt of LCTR, continue to have all children included until such time as there is a break in their claim.

The net weekly income in the following tables is the claimants income less tax and national insurance plus any other income received. Where appropriate, child benefit and an earnings disregard is then subtracted to determine which income band they fall into.

#### Single claimants.

Income Bands	% reduction of 85%
0 - 75.00	100
75.01 - 105.00	75
105.01 - 135.00	50
135.01 - 165.00	25

There are 262 single claimants not working, of these 38 have capital over £6,000 and under the new banded scheme would not be entitled to council tax reduction. This change brings the capital limit in line with the other local authorities within the County.

### Single working claimants

Income	Current scheme	Banded scheme
119.99	5.89	7.13
157.96	3.17	4.78
167.56	3.54	5.35
203.62	0.52	0.00

### Single claimants not working with at least one disabled benefit

The banded scheme will ignore disability benefits in full and disregard an additional £50.00 in income when calculating which Band the customer will be placed.

Income	Current scheme	Banded scheme
174.93	14.27	14.27
227.80	16.65	16.65
231.87	15.95	15.95
315.34	11.01	7.17

### Single one child

The new scheme disregards child benefit in full similar to the current scheme and £25.00 of any earnings.

Bands	% reduction of 85%
0 – 140.00	100%
140.01 – 170.00	75%
170.01 – 200.00	50%
200.01 – 230.00	25%

Income	Current scheme	Banded scheme
167.83	19.14	19.14
210.52	12.10	12.56
236.40	10.09	8.40
323.47	2.60	0.00

**Couple one or both working**

Bands	% reduction of 85%
0 – 115.00	100%
115.00 – 150.00	75%
150.00 – 185.00	50%
185.00 – 220.00	25%

Income	Current scheme	Banded scheme
153.32	19.63	18.99
184.27	10.32	11.10
207.52	8.84	6.34
233.86	3.72	6.38

**Couple two children**

Bands	% reduction of 85%
0 – 250.00	100
250.01 – 300.00	75
300.01 – 350.00	50
350.01 – 400.00	25

Income	Current scheme	Banded scheme
253.64	25.52	25.52
341.90	19.79	16.98
440.93	2.71	6.34
618.39	5.61	0.00