

Council tax

Council tax is a charge local authorities make on residential properties in England and Wales, to help meet the cost of local services. Some people with dementia are eligible for a discount on their council tax bill. Sometimes people who care for them are also eligible for a discount. This factsheet looks at who needs to pay council tax, and the reductions, discounts and exemptions that may be available.

This factsheet applies in England and Wales. Northern Ireland has a rates system and every property is valued individually. For information on discounts and exemptions if you are in Northern Ireland, contact the rebate section of the rate collection agency in your local area.

Council tax is a complicated and quickly changing system. Anyone with further questions should contact their local authority's council tax department.

Council tax applies to both owner-occupied and rented homes. The bill for each home is calculated on the assumption that two or more adults are living there. Council tax is still payable if there is only one person living in the home. Anyone living on their own, or treated as living on their own (see below), is entitled to a 25 per cent reduction on their bill. This is called the 'single person's discount'. The amount of council tax payable on each property depends on a number of things. These include: which of the eight charge bands the property comes into based on its value; the rate of tax set by the local authority; and whether the people paying are eligible for reductions or exemptions.

Who pays?

One or more people can be legally responsible for paying the council tax for a property. However, only one bill will be sent to the property, regardless of the number of people who live there. Joint owners and joint tenants are both responsible, as are husbands and wives, civil partners and people living together as partners.

Discounts, disregards and exemptions

Some people, including those classed as severely mentally impaired, can be completely disregarded for council tax purposes. This means they do not have to pay council tax, or they may pay a reduced rate. This applies to anyone who meets all of the following criteria:

- has a severe impairment of intelligence and social functioning which appears to be permanent
- has a certificate confirming this impairment from a registered medical practitioner, usually the person's GP or consultant
- is entitled to certain disability benefits – the most common qualifying benefits are Attendance allowance (lower or higher rate), Disability living allowance (higher or middle rate care components) and the new Personal independence payment (lower or higher rate of the daily living component).

Many people with dementia meet all three criteria, so are disregarded under the severe mental impairment rules.

Living alone or with others who have dementia

If all the adults living at a property meet these three severe mental impairment criteria, that property is exempt. This means that no council tax needs to be paid on it.

- **Example** – Nancy had been claiming the single person's discount on her council tax bill because she lived alone. After her diagnosis of

vascular dementia she successfully claimed Attendance allowance. Her GP then signed her form under the severe mental impairment rules and her house is now exempt. She pays no council tax.

However, if other people who are not severely mentally impaired also live at the property, payment is required. The amount depends on their circumstances.

- **Example** – Tony and Gwen are married. Tony meets the ‘severely mentally impaired’ criteria as set out above, and is therefore disregarded. That means Gwen is treated as living alone, even though she isn’t. They will get the 25% ‘living alone’ discount.

Living with a carer

A spouse or partner cannot be classed as a carer for council tax purposes. Consequently, if someone lives with and cares for a partner who meets the severe mental impairment criteria (and no one else lives in the property), the spouse or partner will be charged council tax as if they lived alone – as in the example of Tony and Gwen shown above. (This is because the person with severe mental impairment is disregarded for council tax purposes.) The spouse or partner will receive a 25 per cent reduction under the single person’s discount.

Carers can be disregarded for council tax purposes if they fall into one of two groups. The first group of carers who are disregarded for council tax purposes must meet all the following criteria:

- care for at least 35 hours a week
- live in the same property as the person they care for
- not be the partner of the person they care for
- not be the parent of the person they care for, if the person cared for is aged under 18.

In addition, the person being cared for must be entitled to one of the following benefits: Disability living allowance (highest rate of the care component), Personal independence payment (either rate of the daily

living component), Attendance allowance (higher rate) or Constant attendance allowance. The person being cared for may fulfil all of the severe mental impairment criteria, but this is not essential for the carer to claim.

The second group of carers who are disregarded for council tax purposes must meet all the following criteria:

- provide care or support on behalf of a local authority, government department or charity
- provide care through an introduction by a charity, where the person being cared for is the carer's employer
- employed to care for the person for at least 24 hours a week
- paid no more than £44 per week
- resident where the care is given.

Someone who falls into either of these carer groups is disregarded for council tax purposes. They will pay a reduced council tax bill (it is not the case that they don't pay at all, such as in the previous section).

- Example – Peter has Alzheimer's disease and is disregarded for council tax purposes under the severe mental impairment rules. He lives in a house with Jo, his daughter. Jo is also disregarded for council tax purposes because she is recognised by the local authority as his carer and meets the criteria (first group of carers described above). Therefore, because both Peter and Jo are disregarded, but Jo is a carer (not mentally impaired) they are eligible for a reduced council tax bill. This property is being treated as empty (see below) under council tax rules.

More than one person in the same dwelling can count as a carer, including where caring responsibilities are being shared.

Empty properties

Some empty properties are exempt from council tax, for example if left empty by someone who has moved into hospital or a care home, or gone to receive or provide care because of a disability or illness. However, properties that are unoccupied for two years or more don't qualify for a discount and may even face a 50% increase in council tax.

Under new localised support schemes (see below), many local authorities have changed the rules for how these exemptions apply, depending on why the property is not occupied. The council tax department in the local council should be able to advise on any discounts.

Council tax reductions for people with disabilities

It is sometimes possible to claim a reduction on the council tax bill if someone living in the property is assessed as being substantially and permanently disabled, and requires facilities to meet their special needs. This could include a room that is mainly used by the person who is disabled, an extra bathroom or kitchen, or space inside the home so that a person can move around in a wheelchair.

If this is the case, the bill will be reduced to the rate of the next lowest council tax band. Those with band A properties (the lowest band) will have their bills reduced by one sixth. The council tax department of the local authority will have more information about this.

Backdating for discounts and exemptions

The discounts and exemptions mentioned here can be backdated to when they should have first applied. It is not necessary to give a reason as to why they were not originally applied for, but it will be necessary to prove that the criteria for an exemption or discount applied at the relevant time in the past.

There is no time limit for backdating claims for this reduction. Applications should be made to the local council.

Localised support for council tax

As part of the government's welfare reforms, the national scheme for council tax benefit in England and Wales was abolished in April 2013. It was replaced with a local scheme called the Council tax support (rebate) scheme. Each local authority has a duty to run a scheme that provides support for people to pay their council tax. The details of this scheme vary from one local authority to another.

Whatever the local scheme in place, the reductions, disregards and exemptions mentioned in this factsheet continue to be available.

Local authorities also have a duty to ensure that people who have reached Pension credit qualifying age do not lose out under the new scheme. Under localised support, the amount of help available should not change for this group. However, people below Pension credit qualifying age may not receive as much help under this new system. The Welsh Assembly has decided to maintain existing levels of council tax support in Wales and there will be no reduction in support for eligible claimants in 2013–14.

Claims for council tax support

The support available will depend on a range of factors. These may include: which benefits are received, the age of the people living in the property, their income and savings, and who lives with them. More support may be available if someone receives a disability benefit or carer's benefit. The local council should offer information and advice about the local council tax support scheme.

Appeals

If someone's application for a discount is refused, and they are unhappy with the decision, they can make an appeal to the local authority. If this is refused, the person has a further right of appeal to the Valuation Tribunal in England or Wales. This must be done within two months of receiving the decision.

Council tax support and Universal credit

Universal credit is a new benefit which will replace many benefits for anyone under Pension credit qualifying age. For more information see factsheet 413, Benefits.

Council tax support will not be part of the Universal credit system. However, when deciding on the level of council tax support, local authorities may be able to use information from a person's claim for Universal credit to help inform their decision.

Other useful organisations

Valuation Tribunal

Second Floor
Black Lion House
45 Whitechapel Road
London E1 1DU

T 020 7426 3900
W www.valuationtribunal.gov.uk

An independent appeals tribunal, funded by the government to handle council tax and rating appeals in England. It provides a free service and local hearings, and the members who hear appeals are volunteers.

Land & Property Services (previously Rate Collection Agency) in Northern Ireland

T 0300 200 7801
W www.lpsni.gov.uk

Can answer queries about rates in Northern Ireland, how to pay a rates bill or how to find out about the capital value of a property in Northern Ireland.

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This factsheet has also been reviewed by people affected by dementia. A list of sources is available on request.



Alzheimer's Society National
Dementia Helpline

England, Wales and Northern Ireland:
0300 222 11 22

9am–8pm Monday–Wednesday

9am–5pm Thursday–Friday

10am–4pm Saturday–Sunday

alzheimers.org.uk

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