

The new council tax support scheme

We are proposing a new council tax support scheme to replace council tax benefit. The new scheme will be means-tested, which means that you will only be able to get help paying your council tax if you meet certain criteria, such as having a low income.

It is likely that the way we calculate whether you are eligible for council tax support will remain similar to the way in which we currently calculate whether you can get council tax benefit. However, under the new system it is probable that almost everyone, except pensioners will have to pay something towards their council tax bill.

We propose that the new council tax support scheme will:

1. Only pay between 75% and 90% of anyone's council tax

In addition, we might also look at other contributing determining factors that may affect your entitlement, such as (not an exhaustive list):

- The amount of savings held – we might lower the limit so that people with savings under the current limit of £16,000 could still not be eligible for council tax support. For example, we might set the limit at £10,000.
- The application of the taper: The scheme may make provision for the application of a different taper, above the current taper which is applicable for income above the minimum amount, and which is currently applied at 20%.
- Other adults living at the property – they could be asked to make more of a contribution towards your council tax.
- Removing the current second adult rebate that gives you a 25% reduction in your council tax bill if you share your home with another adult who is not your partner.
- Extending the length of time people who are starting work receive support towards council tax payments.
- Introducing a limit on the amount of council tax support by house valuation band.
- Calculating entitlement to benefit based on more of your earned and non earned income.