**Pension Age**

**Calculation** **2024-25**

**This information explains how we calculate your award for Housing** **Benefit (HB) and Council Tax Reduction (CTR), Enhanced** **Council Tax Reduction and Second Adult Reduction (SAR).**

**Maximum Weekly Eligible Rent or Council Tax**

**Renting from the Council**, your maximum eligible rent is your weekly rent less any ineligible service charges, such as insurance or fuel charges.

**Renting from a Housing Association (HA) or** **Registered Social Landlord (RSL)**, your maximum eligible rent is your weekly rent less any ineligible service charges, such as insurance or fuel charges.

**Renting from a private landlord and your tenancy** **started before 2nd January 1989, or you have** **been getting Housing Benefit continuously prior** **to 7th April 2008**, we will refer your claim to the Rent Officer who will decide a reasonable rent charge for your property less any ineligible service charges, for example fuel or meals, to calculate your maximum eligible rent.

**Local Housing Allowance (LHA), if you rent from** **a private landlord and your tenancy started on or** **after 7th April 2008**, your benefit is calculated using LHA rates set annually by the Rent Service Scotland for different sized properties in the Falkirk Council area.

The rate you are entitled to is based on the number of bedrooms you need for the people who live with you and their ages. These rates are capped at the 4-bedroom rate. Visit [www.falkirk.gov.uk/lha](http://www.falkirk.gov.uk/lha) for more info.

**Council Tax**, your maximum eligible Council Tax Reduction is your gross charge less Water & Waste charges, water relief and after deducting any discounts.

**Enhanced CTR - for those in** **Band E to H properties**, if you have less than £16,000 in capital and you are a single person with no children with a net income of no more than £321 per week, or £479 for Lone Parents and couples, this reduction may offset the increased Council Tax charges for these higher banded properties. Claim at [www.falkirk.gov.uk/ctr](http://www.falkirk.gov.uk/ctr)

# Non-Dependant Deductions

A non-dependant is someone aged 18 or over who normally lives with you on a non-commercial basis. If a non-dependant lives with you, we usually have to reduce your award by a fixed amount which applies even if the non- dependant pays you nothing at all.

|  |  |  |  |
| --- | --- | --- | --- |
| **Non-Dependant Deductions from April 2024**  |  **48 Wks (A)** | **52 Wks (B)** | **CTR** |
| Aged under 25 and on IS, JSA (IB), ESA(IR) which does not include an amount for the support component or work-related activity component, or UC where the award is calculated on the basis that the non-dependant does not have any earned income | Nil | Nil | Nil |
| Aged 25 or over and on IS or JSA(IB) and not in remunerative work | £20.91 | £19.30 | Nil |
| In receipt of main phase ESA(IR) | £20.91 | £19.30 | Nil |
| In receipt of Pension Credit | Nil | Nil | Nil |
| Aged 18 or over, not working & not in above categories  | £20.91 | £19.30 | £5.25 |
| **Aged 18 or over and in remunerative work** |  |  |  |
| Gross income less than £176.00  | £20.91 | £19.30 | £5.25 |
| Gross income between £176.00 and £255.99 | £48.10 | £44.40 | £5.25 |
| Gross income between £256.00 and £259.99 | £66.03 | £60.95 | £5.25 |
| Gross income between £260.00 and £333.99 | £66.03 | £60.95 | £10.35 |
| Gross income between £334.00 to £444.99 | £107.95 | £99.65 | £10.35 |
| Gross income between £445.00 to £450.99 | £122.96 | £113.50 | £10.35 |
| Gross income between £451.00 to £553.99 | £122.96 | £113.50 | £13.15 |
| Gross income between £554.00 to £557.99 | £134.93 | £124.55 | £13.15 |
| Gross income over £558.00 and above  | £134.93 | £124.55 | £15.65 |

Housing Benefit deductions are shown on notifications as follows:

1. Public Sector (Council Houses) based on 48-week year. This is to take account of 4 ‘rent free’ weeks.
2. Private Sector based on 52-week year.

**Are there any exceptions?**

If you, or your partner have reached State Pension Age, then the impact of a non-dependant moving in, or any change that gives rise to an increased deduction, is delayed for 26 weeks e.g. if non-dependant has an increase in their weekly earnings.

**Is there always a deduction?**

There are no deductions made if you or your partner are registered blind, receiving Attendance Allowance, the care component of Disability Living Allowance or Adult Disability Payment, the daily living component of the Personal Independence Payment (PIP), or the Armed Forces Independence payment.

No deduction is made if the non-dependant is:

* Aged under 18
* Receiving a Work Based Training Allowance
* In prison
* In hospital for more than 13 weeks
* Normally living elsewhere
* Disregarded for Council Tax Discount (Council Tax reduction only)
* Full time students (except Housing Benefit during summer vacation if they work)

**Non-dependant Couples**

If neither of the couple are working, we assess the non-dependant deductions that would apply if they were single claimants, then we take only one deduction, i.e. the higher of the two. However, if one member of the couple is working, we add their gross weekly income together and take a single deduction using their joint income.

**Total Allowances (Applicable Amount)**

We then calculate your Applicable Amount.

The Government set the Allowances and Premiums in April each year. These figures reflect the basic living needs of a claimant and their family. Personal Allowances are awarded for the claimant and any other family members.

|  |  |  |
| --- | --- | --- |
| **Personal Allowances**  | **Housing Benefit** | **Council Tax Reduction** |
| Single person/Lone Parent who has attained pensionable age | £235.20 | £235.20 |
| Single person/Lone Parent who has attained pensionable age on or after 1 April 2021 | £218.15 | £235.20 |
| Couple, one or both members have attained pensionable age before 1 April 2021 | £352.00 | £352.00 |
| Couple, both members have attained pensionable age on or after 1 April 2021 | £332.95 | £352.00 |
| Child or Young Person | £83.24 | £104.05 |

**Premiums**

You may also be awarded any of the below Premiums if you satisfy the conditions of

entitlement.

|  |  |  |
| --- | --- | --- |
| **Circumstances** | **Premium** | **Amount** |
| If you are responsible for at least one child - not applicable for new claims on or after 1st May 2016 | Family | £19.15 |
| For each child/young person receiving DLA, PIP, CDP or registered blind | Disabled Child | £80.01 |
| If child gets high rate of DLA (care)/CDP (care) or PIP enhanced daily living | Enhanced Disabled Child | £32.20 |
| If you get Carer’s Allowance for looking after someone, have underlying entitlement to it or have had it withdrawn in the last 8 weeks | Carer | £45.60 |
| If you and/or your partner get middle/high rate of DLA (care)/ADP (care), PIP enhanced daily living rate and live alone, and no one receives Carer’s Allowance for looking after you and/or your partner | Severe Disability Single | £81.50 |
|  | Couple (1 qualifies) | £81.50 |
|  | Couple (both qualify) | £163.00 |

**How will I know what my total allowances and premiums are?**

We will show each Allowance and Premium separately on your notification.

## Income

We look at all the income you have declared on your application form for you and your partner. We normally ignore the income or capital of any child or young person that you receive Child Benefit for.

## Unearned Income

This is any kind of Social Security benefit, pensions, or maintenance. e.g.:

* State Retirement Pension (includes increased awards due to deferment)
* Occupational Pension (unless receipt of payment has been deferred)
* Industrial Injuries Benefit
* Disability Living Allowance/Adult Disability Payment
* Personal Independence Payment (PIP)
* Attendance Allowance
* War Pensions
* Private Pensions
* Financial Assistance Scheme (FAS) payments
* Armed Forces Independence Payment

## Earned Income

If you or your partner are earning, we normally take the last 5 weekly, 3 fortnightly or 2 monthly consecutive pay slips and calculate an average weekly earnings figure. We can also use the year-to-date figure on your pay slip.

We ignore your Tax, National Insurance and half of any superannuation or contributions to a private pension. This “net income” will be detailed on your award notification with the amount we have calculated.

## Disregarded Income

Some types of income attract a disregard which will reduce the amount of income we take into account when calculating your award.

Unearned income disregards - the disregard we apply depends on the type of income.

|  |  |
| --- | --- |
| **Type** | **Amount** |
| Disability Living Allowance/Adult Disability Payment | All |
| Attendance Allowance | All |
| Personal Independence Payment | All |
| Armed Forces Independence Payment | All |
| War Pensions\* | All |
| Deferred Occupational Pension | All |
| Child Benefit | All |
| Child Tax Credit | All |
| Personal injury, charitable or voluntary payments | All |
| Maintenance received for dependants | All |
| Childcare costs (for one child)\* | up to £175.00 |
| Childcare costs (for two or more children)\* | up to £300.00 |
| *\*conditions apply* |  |

Earned income disregard – depending upon your circumstances, we can disregard the following amounts from your earnings:

|  |  |
| --- | --- |
| **Type** | **Amount** |
| Single person | up to £5.00 |
| Couple  | up to £10.00 |
| Disabled pensioner or Carer | up to £20.00 |
| Lone Parents | up to £25.00 |
| Additional 16+ or 30+ hours disregard | up to £17.10 |
| Permitted Work - higher disregard\* | up to £183.50 |
| Permitted Work - lower disregard\* | up to £20.00 |
| *\*conditions apply* |  |

If you are entitled to any of these disregards, they will be shown on your notification.

### How we work out your capital

We then value your capital. We take all the Bank, Building Society, Post Office, current and savings accounts you have together with any bonds, stocks & shares, land or property, National Savings Certificates etc to work out the amount of your capital. We calculate the current market value of your stocks and shares, or any property you have, to work out what they are worth. We then deduct 10% for selling costs.

If you or your partner receives a lump sum payment which is awarded because you have deferred receipt of your State Pension, we do not treat the lump sum as capital during the life of the recipient.

We add together all the savings and capital you have declared to establish a total figure. We then calculate a weekly tariff income figure from any capital you have over £10,000 – this is worked out using £1 for every £500 or part thereof. The tariff figure is shown as ‘Income from Capital’ on your notification.

**Are there any limits?**

If you have savings of £16,000 or more, you will not be eligible to claim Housing Benefit (HB) or Council Tax Reduction (CTR). You must always tell us about any capital and notify us when there are any changes.

**Total Net Income**

We add together your unearned income, earned income and any income from capital, then disregard any relevant amounts to calculate a Total Net Income figure which is shown on your notification.

**The Final Calculation**

After having:

* established your maximum eligible weekly rent/maximum rent or Council Tax
* made any non-dependant deductions
* established your total allowances
* calculated your net income
* calculated your income from capital
1. If your total net income is lower than your total allowances, you will receive the maximum eligible amount less any non-dependant deductions.
2. If your total net income is higher than your total allowances, the difference is called your excess income. We apply a taper of 65% for Housing Benefit or 20% for Council Tax Reduction to your excess income. This is the amount you are expected to contribute towards your Rent or Council Tax.
3. We then deduct the tapered amount from your maximum eligible weekly rent/maximum rent or Council Tax, after any non-dependant deductions have been made. The difference is the amount you will be awarded each week.

**Second Adult Reduction (SAR)**

If you do not get Council Tax Reduction (CTR) or Enhanced Council Tax Reduction based on your own income and circumstances, or you only get a small award, if you have other adults aged 18 or over living with you, you can claim Second Adult Reduction.

**How is it calculated?**

We take the gross income of the other adults in the household, unless they fall to be disregarded, add them together and then compare them with the following table:

|  |  |
| --- | --- |
| Dwelling occupied by student(s) and one or more people receiving IS, PC, or JSA(IB), ESA(IR) or UC where the award is calculated on the basis that the recipient does not have any earned income | 100% Reduction  |
| All Second Adults receive IS or JSA(IB) or Pension Credit (PC) or ESA(IR) or UC where the award is calculated on the basis that the recipient does not have any earned income | 25% Reduction |
| Total Income under £256.00 per week | 15% Reduction |
| Total Income between £256.00 to £332.99 per week | 7.5% Reduction |
| Total Income of £333.00 or more per week | No Reduction  |

**Who can claim?**

You can only claim Second Adult Reduction if you are a single taxpayer. If you are a member of a couple, one of you must be disregarded for Council Tax discount purposes. However, you cannot claim if the second adult is a disregarded person.

**Can I get both Council Tax Reduction, Enhanced Council Tax Reduction and Second Adult Reduction?**

No. We will calculate your entitlement to all three reductions, and you will only be awarded the highest award.

**How much will I have to pay for rent or council tax?**

For Council tenants, your notification for Housing Benefit will tell you your weekly charge and weekly Housing Benefit. You will also be sent a rent statement.

For Council Tax, a separate bill will be issued to you detailing your instalments.

For Private Sector tenants, your notification will tell you the amount of weekly benefit you have been awarded. You will then need to work out what you must pay to your landlord.

**Discretionary Housing Payments**

If you have a shortfall in your housing costs, you can apply for a Discretionary Housing Payment (DHP). The Council has limited budget to make these payments, and we consider if you could afford the shortfall from your available income or capital when making our decision. DHP does not apply to Council Tax Reduction. Please visit [www.falkirk.gov.uk/dhp](http://www.falkirk.gov.uk/dhp) to complete your request online.

**What if I think my award is wrong?**

If you don't understand your award or would like more information about how your award was calculated, you can ask us to look at it again. You must request this within one month of the date on your award notice for HB and within 2 months for CTR. If you are still unhappy, you can request an Independent Tribunal Hearing for HB, or ask the Local Taxation Chamber to independently review your CTR. Please visit [www.falkirk.gov.uk/request](http://www.falkirk.gov.uk/request) to complete your appeal online.

**What if my circumstances change?**

You must tell the Council as soon as your circumstances change so we can reassess your entitlement and prevent overpayments for example income, household, change of address, rent increase/decrease and temporary absence from home. Please visit [www.falkirk.gov/request](http://www.falkirk.gov/request)

**Reporting Fraud**

If you think someone is fraudulently claiming Housing Benefit, Council Tax Reduction or other benefits please call 01324 504500 or email benefit.fraud@falkirk.gov.uk

You can also contact the National Fraud Hotline on 0800 854 4400.

**Further Help**

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