**Draft Council Tax Support Scheme for Knowsley**

All pensioner households will be protected from any reductions as a result of these changes and will receive the same level of support for Council Tax as they currently receive under Council Tax Benefit.

The proposed changes under Knowsley’s local Council Tax Support Scheme are set out below:

**1. Support will be calculated based on a maximum of 80% of the Council Tax liability**

Everybody under pension age who currently receives Council Tax Benefit will be affected by the proposed scheme changes and will have to pay something towards their Council Tax bill from April 2013.

Our draft scheme proposes that Council Tax Support will be calculated based on 80% of the Council Tax bill. For example, for someone whose Council Tax bill is £1,000 per year, support will only be calculated based on £800 and they will have to pay at least £200 per year towards their Council Tax.

See how much [20% of your council tax bill](http://www.knowsley.gov.uk/pdf/CTax2012.pdf) could be (PDF).

**2. Second Adult Rebate will be removed**

Under the current system, some people who are not entitled to Council Tax Benefit can claim a reduction in their Council Tax if another person who is on a low income is living in their home. This reduction can be 7.5%, 15% or 25% of the Council Tax bill and is called Second Adult Rebate. This means that it is possible for some households to have very high incomes and still qualify for this. Second Adult Rebate will not be available to working age people under our proposed scheme.

**3. Backdating of Council Tax Support for working age people will be limited to a maximum of three months**

Under the current Council Tax Benefit scheme, a working age claimant can have their benefit backdated for up to six months, but a pensioner can only have their benefit backdated for up to three months.

Other means-tested benefits, such as Jobseekers Allowance, are limited to one month backdating and the Government is proposing to retain this one month limit when Universal Credit is introduced in 2013.

There is no requirement to allow backdated benefit for working age claimants under the Council Tax Support scheme but pensioners will keep the right to have their benefit backdated for up to three months.

We are proposing to keep the provision to backdate benefit for Working Age claimants but this will be limited to a maximum of three months, the same as for pensioners.

**4. Existing non-dependant deductions will be replaced with two flat rates of £2 or £5**

Currently, deductions from Council Tax Benefit can be made if other non-dependant adults (aged 18 or over) live in the claimant’s home. Non-dependants include an adult son or daughter, relative, or friend of the claimant. The amount deducted depends on the non-dependant’s income and currently ranges from nothing to £9.90 per week. More is deducted as income increases. No deduction is currently made if the non-dependant is on a means-tested benefit.

We are proposing to introduce standard deductions of £2 per week if a non-dependant is on a means-tested benefit or £5 per week if they are not. To help support non-dependants in employment, these amounts will not increase even if the person’s income increases.

**Note on future changes as a result of other welfare reforms**

Within our local Scheme, we will decide how to deal with income from benefits established under the Welfare Reform Act 2012, such as Universal Credit and Personal Independence Payments, when the Government issues regulations setting out how these benefits will be calculated.