

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

This factsheet is for people living in England and Wales. Northern Ireland has a rates system – charged on the value of individual properties. For information on discounts and exemptions if you are in Northern Ireland, contact the Land and Property Service in your local area (see 'Other useful organisations' on page 13).

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Council tax

If you are living with dementia or caring for a person with dementia, it may affect how much council tax you pay.

Council tax applies to both owner-occupied and rented homes. The bill for each property is worked out on the basis that two or more adults are living there. However, you will usually still need to pay council tax if there is only one person living there.

The amount that needs to be paid in council tax on each property depends on a number of things. These include:

- which pricing 'band' (category) the property is in, based on its value
- the rate set by the local authority
- whether the people living there are eligible for any support, reductions or exemptions.

Who pays?

One or more people can legally be 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 or joint tenants are jointly responsible for council tax. The same applies to married couples, civil partners and people living together as partners.

Discounts, disregards and exemptions

Some people with dementia and their carers will be eligible for discounts, disregards and exemptions on their council tax. All of these terms have different meanings, so it's important to know the differences, which are explained below.

Discounts

Certain people will get a discount and will therefore pay a reduced rate of council tax. There are a few different types of discount available. The most common example is that anyone living on their own, or treated as living on their own (see 'Disregards' below), is entitled to a 25% reduction on their bill. This is called the 'single person's discount'.

Disregards

Disregards may apply to people living in the property. People who are disregarded are not counted for council tax purposes. For example, if two people are living together and one is disregarded, it will be charged as if the other person lives alone, and they will get a 25% single person's discount on their council tax.

There are different types of disregards based on the reasons for them. These different types are important because of how they affect exemptions (see 'Exemptions' on page 6).

Severe mental impairment

Anyone can be disregarded if they are classed as 'severely mentally impaired'. The legal definition of 'severe mental impairment' is broad and can be open to interpretation. It does not depend on someone having a diagnosis of dementia or losing mental capacity. It applies to anyone who meets all of the following criteria:

- They have a severe impairment of intelligence and social functioning which appears to be permanent.
- They have a certificate confirming this impairment from a registered medical practitioner, usually the person's GP or consultant.
- They are entitled to certain disability benefits (but they don't have to actually be receiving them). The most common qualifying benefits are:
 - Attendance allowance
 - Disability living allowance (higher or middle rate care components)
 - Personal independence payment (either rate of the daily living component).

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

■ **Example:** Tony and Gwen are married. Tony meets the ‘severely mentally impaired’ criteria and has applied to the council, so he is disregarded for council tax. That means Gwen is treated as living alone, even though she is living with Tony. They will get a 25% reduction on their bill. Their income and savings won’t affect this. However, if they have a low enough income they may be entitled to additional council tax support (see ‘Support with council tax’ on page 11).

However, if the person who is recognised as being severely mentally impaired lives with two or more adults, there will usually be no reduction in the overall council tax bill on this basis.

A severe mental impairment disregard application form will be available from your local council (see ‘Other useful organisations’ on page 13). Make sure it is the correct form – unlike some other application forms, it should not ask for details of income or savings.

Different medical professionals may have different views about when a person qualifies as severely mentally impaired. If your GP is unwilling to sign a certificate confirming severe mental impairment you could ask a consultant, or another GP at your practice. Medical professionals cannot legally charge for this service.

Exemptions

Exemptions apply to properties, not people. An exemption means the whole property is excluded from council tax and there is nothing to pay. For example, when the only people occupying the property are disregarded because they are severely mentally impaired, a 'class U exemption' applies, meaning no payment is due.

■ **Example:** Priya 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 certified that she is severely mentally impaired. This means she is disregarded and her house is now exempt. No council tax has to be paid on her property.

If all the people living in a property are disregarded but not all under the severe mental impairment criteria, the property won't be exempt from council tax. Instead, the property will be treated as if it is empty and council tax may still be charged. See 'Empty properties' on page 8.

The council tax system is complicated. For more information, contact your local authority's council tax department – see 'Other useful organisations' on page 13. They should be able to advise you about how to apply for any of the discounts, disregards and exemptions described in this factsheet.

Living with a carer

A spouse or partner of a person with dementia will not get a discount or disregard simply as a result of being a carer. As long as there is no one else counted as an adult living in the property, someone living with and caring for a partner who meets the severe mental impairment criteria will get a 'single person's discount' on their council tax (see page 4).

However, some other carers and care workers can be disregarded for council tax purposes if they fall into one of two groups. In either group, the carer can be disregarded even if the person with dementia does not meet the severe mental impairment criteria.

1. The first group of carers who are disregarded for council tax purposes must meet all the following criteria. They must:
 - 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 (middle or highest rate of the care component)
- Personal independence payment (either rate of the daily living component)
- Attendance allowance
- Constant attendance allowance
- Armed Forces independence payment.

2. The second group of carers who are disregarded for council tax purposes must meet all the following criteria. They must:
 - provide care or support on behalf of a local authority, government department or charity, OR provide care through an introduction by a charity if the person with dementia is the carer's employer
 - be employed to care for the person for at least 24 hours a week
 - be paid no more than £44 per week
 - live where they provide care.

A carer who is in either of these groups is treated as a disregard. This type of disregard doesn't mean that the property will be exempt for council tax purposes, but there should be a reduced council tax bill.

■ **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 Lina, his daughter. Lina is also disregarded for council tax purposes because she is recognised by the local authority as his carer (see group 1 of the criteria list). Therefore, because both Peter and Lina are disregarded, this property is being treated as if no one is living there under council tax rules. This means they are eligible for a reduced council tax bill – see 'Empty properties' below.

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

Empty properties

Empty properties aren't usually exempt from council tax but the council tax bill may be reduced by the local authority. However, there are some situations when a property is left unoccupied and council tax is not charged, such as:

- someone with dementia who has moved into hospital or a care home, or
- someone who has gone to provide care for a person with dementia.

Most properties that are unoccupied for two years or more don't qualify for a discount. They may even face an increase in council tax, depending on the local council.

If all the people living in a property are disregarded, but no exemption applies, the property will be treated as if no one is living there. Under these circumstances, the property would usually incur a charge of 50% of the full council tax. The local council will provide details of charges for the property.

Under localised support schemes (see 'Support with council tax' on page 11), many local authorities have changed the rules for how these exemptions apply, depending on why the property is empty.

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 special facilities to meet their needs. This could include:

- a room that is mainly used by the person who is disabled
- an extra bathroom or kitchen
- 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 band below the one the property is in. For example, someone living in a band C property would be charged the rate for the cheaper band B property. Those with band A properties (the lowest band) will have their bills reduced by one sixth.

This reduction can be applied in addition to other discounts, disregards and exemptions.

Backdating for discounts, disregards and exemptions

Even if a discount, disregard or exemption wasn't applied for right away, it can be backdated to when it should have first applied. You don't need to give a reason why it was not originally applied for. However, you will need to prove that the criteria for an exemption or discount applied at the time.

Some councils will backdate the discount, disregard or exemption to the date council tax began (April 1993) or when the person first became entitled, whichever is later. However, some councils try to use the Limitations Act (1980), which restricts backdating to a maximum of six years from the date of requesting it.

A few councils also try to limit the discount, disregard or exemption to the date it is requested or to the start of the financial year in which it is requested. They are not allowed to do this.

If the council tries to limit the backdating in this way, first try to resolve the issue with them. If this doesn't work, contact the Valuation Tribunal to appeal (see 'Other useful organisations' on page 13). You must do this within two months of the council's decision.

Appeals

If an application for a discount, disregard or exemption is refused, and you are unhappy with the decision, you can make an appeal to your local authority. If this is refused, you have a further right of appeal to the Valuation Tribunal in England or Wales. This must be done within two months of receiving the decision.

Support with council tax

Each local authority has to run a Council tax support scheme (also sometimes called a Council tax reduction scheme). This provides support for people on a low income to pay their council tax. The scheme will vary from one local authority to another for people of working age.

The financial support available to help with paying council tax is 'means-tested'. This means that, your income and savings can affect your eligibility or the amount you get. It can also depend on a range of other factors, including:

- which benefits the person receives
- the age of the people living in the property
- who lives with them.

Depending on the local authority, people can get up to 100% of their council tax supported in this way, if their income is low enough. This is whether they are of state pension age or working age. Many older people, especially owner-occupiers, don't claim this support and are missing out on what can be a large amount of help.

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 and the availability of Discretionary housing payments to help people who claim housing benefit or Universal credit.

Whatever local Council tax support scheme is in place, the discounts, disregards and exemptions mentioned in this factsheet will be available and are not means-tested.

Council tax Council tax support and Universal credit

Universal credit replaces many benefits for anyone who is below pension age. If you are part of a couple, and not already getting support with council tax, you are treated as a working-age couple if one of you is below pension age. For more information see factsheet 413, **Benefits for people affected by dementia**.

Council tax support is not part of the Universal credit system. Whether or not you are entitled to Universal credit or Pension credit, you will still need to contact your local authority to make a separate claim for support with council tax. Don't wait until your Universal credit or Pension credit has been awarded to do this, because they may not backdate your council tax support.

Other useful organisations

entitledto

www.entitledto.co.uk

entitledto offers online benefit calculators to help people work out what they can claim. The website also includes an A–Z of help pages on a wide variety of topics related to benefits.

Land & Property Services (LPS)

0300 200 7801 (rates and valuation helpline)

0300 200 7802 (housing benefit and rate relief helpline)

rating@lpsni.gov.uk

valuation@lpsni.org.uk

www.finance-ni.gov.uk/land-property-services-lps

LPS 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.

Local council

www.gov.uk/find-your-local-council

www.gov.wales/find-your-local-authority

In England and Wales, your local council can give you information about council tax rates and how to pay. They can also advise on any discounts, disregards and exemptions you may be entitled to, and how to apply.

Valuation Tribunal for England

0303 445 8100

appeals@valuationtribunal.gov.uk

www.valuationtribunal.gov.uk

The Valuation Tribunal for England is funded by the government to handle council tax and rating appeals. It provides a free service and local hearings, and the members who hear appeals are trained volunteers.

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Our information is based on evidence and need, and is regularly updated using quality-controlled processes. It is reviewed by experts in health and social care and people affected by dementia.

Reviewed by: Gary Vaux, Head of Money Advice Unit, Hertfordshire County Council, and Nicki Duckworth, Content and Customer Relations Manager, entitledto

This factsheet has also been reviewed by people affected by dementia.

To give feedback on this factsheet, or for a list of sources, please email publications@alzheimers.org.uk

People affected by dementia need our support more than ever. With your help we can continue to provide the vital services, information and advice they need.

To make a single or monthly donation, please call us on **0330 333 0804** or go to alzheimers.org.uk/donate

Alzheimer's Society is the UK's leading dementia charity. We provide information and support, improve care, fund research, and create lasting change for people affected by dementia.

For support and advice, call us on **0333 150 3456** or visit alzheimers.org.uk



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