

Factsheet 414 Council tax

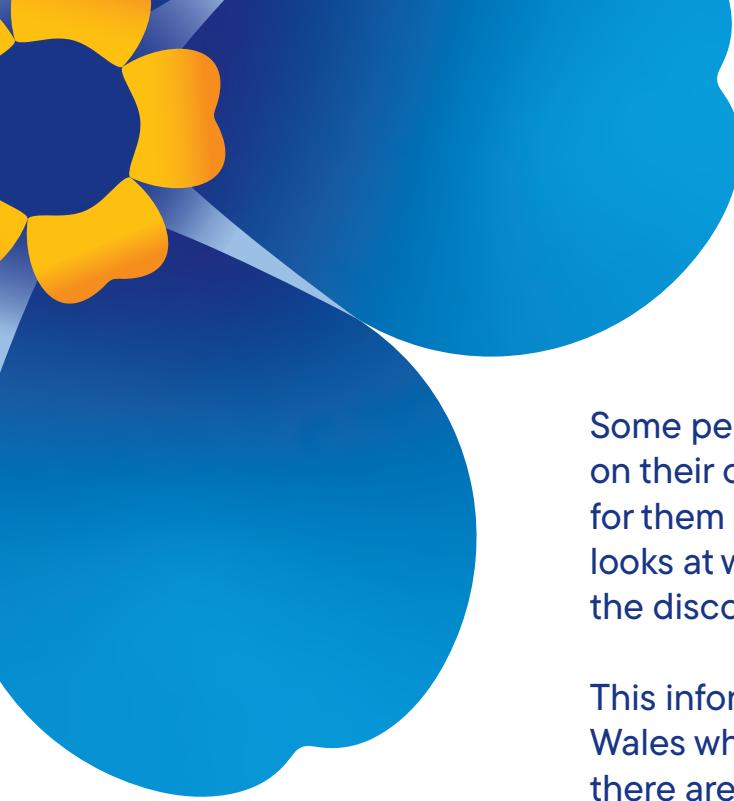
November 2024

Council tax



**Alzheimer's
Society**

It will take a society to beat dementia



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 discounts and exemptions that may be available.

This information is for people living in England and Wales where council tax applies. In Northern Ireland, there are rates. For information on rates in Northern Ireland, contact the Land and Property Service in your local area. See 'Other useful organisations' on page 12.

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1 What is council tax?

If you have dementia, or are caring for a person with dementia, it may affect how much council tax you pay. In England and Wales, local authorities (also known as local councils) charge people council tax. This is based on the property they live in. The money that local authorities receive from council tax helps pay for local services.

Council tax applies to both rented homes and those that are owned by one or more people. 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 in the property.

The amount that needs to be paid in council tax on each property depends on factors that include:

- which pricing 'band' (categorised A–H in England and A–I in Wales) the property is in, based on its value
- the rate set by the local authority
- whether the property is exempt or any people living there are disregarded and/or eligible for any discount.

Who needs to pay council tax?

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. A person is usually responsible for paying council tax if the property is their main home.

If you own the property, you will be responsible for paying the council tax. If you live in the property with your partner, your partner is jointly responsible for paying, even if they don't own it. If someone else who lives there (such as a different family member) jointly owns the property, they will also be responsible for paying.

If you rent the property, you are usually responsible for the council tax. If you live with a partner, they are jointly responsible. This is even if they aren't included in the rental agreement.

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2 Exemptions, disregards and discounts

Some people with dementia and their carers will not have to pay full council tax. This may be because:

- the property is exempt
- the people living there are disregarded (ignored in the calculation)
- the people living there are eligible for a means-tested discount.

Any of the above can mean that no council tax is due or there is a discount on the council tax bill.

It is a good idea to apply for all disregards, discounts and reductions that are available to you, to get the biggest overall reduction. Each local authority also has a council tax reduction scheme, which is means-tested and assessed last (see 'Support with council tax' on pages 10–11).

Do people with dementia have to pay council tax?

People with dementia could be disregarded from paying council tax if they are classed as 'severely mentally impaired'. If they are disregarded, this means they would not be included when calculating how much council tax needs to be paid.

To be classed as 'severely mentally impaired', the person must meet the following criteria:

- They have a 'severe impairment of intelligence and social functioning (however caused) which appears to be permanent'. This can be for any reason, including dementia.
- They have a certificate confirming this impairment from a registered medical practitioner. This is usually the person's GP or consultant.
- They are entitled to certain disability benefits. The most common qualifying benefits are:
 - Attendance allowance
 - Universal credit (with the limited capability for work premium)
 - Personal independence payment (either of the two daily living component rates).

Exemptions apply to properties, not people. For example, if all people living in the property are severely mentally impaired and disregarded, the property will be exempt. This means no payment is due. This is a 'class U exemption'.

Case study example: Priya had been claiming the 25% single person's discount on her council tax bill as she lived alone. After her diagnosis of vascular dementia, she successfully claimed Attendance allowance. Her GP then confirmed 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.

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If the person with dementia does not live alone, the property won't be exempt, but they can still be disregarded. This means they won't be counted for council tax purposes and a discount is applied instead.

If two or more adults who aren't disregarded live with the person with dementia, there will usually be no reduction in the overall council tax bill. This is the case even if the person with dementia has a severe mental impairment.

If all 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 at a reduced rate. See 'Empty properties' on page 8.

Case study example: Tony and Gwen are married. Tony, who has dementia, meets the severely mentally impaired criteria and is disregarded for council tax. This means Gwen is treated as living alone, even though she is living with Tony. They will therefore 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 to further reduce the bill. See 'Support with council tax' on pages 10–11.

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How to apply for a ‘severe mental impairment’ disregard

In England, a severe mental impairment disregard application form will be available from your local council. See ‘Other useful organisations’ on page 12. Make sure it is the correct form. It should not ask for details of income or savings.

In Wales, there is a standard form available on www.gov.wales/council-tax-discounts-and-reduction/severely-mentally-impaired

Some medical professionals may have different views from others 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.

The council tax system is complicated. For more information, contact your local authority’s council tax department – see ‘Support with council tax’ on pages 10–11. They should advise you on applying for any of the discounts, disregards and exemptions described in this factsheet. See ‘Other useful organisations’ on page 12.

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Backdating for exemptions, disregards and discounts

Even if an exemption, disregard or discount wasn't applied for immediately, it can be backdated to when it should have first applied. There is no time limit set in law. However, you will usually need to prove that you met the criteria at the time.

In England, some councils will backdate to the date council tax began (April 1993) if the person was eligible. However, some councils restrict backdating to a maximum of six years from the date of requesting it. Each local authority will have their own backdating policy.

In Wales, backdating for those with a severe mental impairment is standard across all local authorities. It can be backdated to the date of diagnosis.

Appeals

If an application for an exemption, disregard or discount 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 for England or Wales. This must be done within two months of receiving the decision. See 'Other useful organisations' on page 12.

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3 Living with a carer

A spouse or partner of a person with dementia will not get a discount or disregard simply by being a carer. However, someone living with and caring for a partner with a severe mental impairment will get a 25% 'single person's discount' on their council tax. This applies as long as there are no other adults living in the property.

Some carers and care workers can be disregarded for council tax 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.

Group 1. The first group of carers who are disregarded for council tax 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 and not be their partner
- not be the parent of the person they care for, if the person cared for is aged under 18.

In addition to the above, 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.

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Group 2. The second group of carers disregarded for council tax 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 disregarded. This type of disregard doesn't mean that the property will be exempt for council tax purposes, but the council tax bill should be reduced.

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

Case study example: Peter has Alzheimer's disease and is disregarded for council tax under the severe mental impairment rules. He lives in a house with Lina, his daughter. Lina is also disregarded for council tax because she is recognised by the local authority as his carer (see the criteria list for Group 1). 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' on page 8.

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4 Council tax reductions

There are certain circumstances where reductions can be applied to council tax.

Empty properties

Empty properties aren't usually exempt from council tax, but the local authority may reduce the council tax bill. 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 the charges for the property.

Under local council tax support schemes, many local authorities have changed the rules for how these exemptions apply. This depends on why the property is empty. See 'Support with council tax' on pages 10–11.

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. This is if they require 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 exemptions, disregards and discounts.

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5 Support with council tax

Each local authority has to run a council tax reduction scheme. This is also known as a council tax support scheme. The scheme provides financial support for people on a low income to pay their council tax.

This support 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.

The scheme may vary from one local authority to another. Depending on the local authority, people can get up to 100% of their council tax covered in this way.

If a person (and their partner) is over State pension age, they can automatically get full council tax support if they claim Pension credit guarantee credit.

If they don't, they may still be eligible depending on their financial situation. To be eligible, they must not have savings of more than £16,000 and their income must be low enough.

If a person (or their partner) is under State pension age, the standard rules don't always apply. Seek advice if you feel the rules discriminate against you due to having a disability or being a carer. **Adviselocal** can help – visit adviselocal.uk

For people of working age, the scheme can be less generous. It may set the maximum reduction as lower than 100%. However, if this would cause you to experience hardship, you may be awarded a discretionary reduction. For example, a bigger reduction may be offered if a diagnosis means you are unlikely to ever return to work.

The local authority should offer information and advice about the local council tax support scheme and the availability of discretionary payments.

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

Council tax support and Universal credit

Universal credit replaces many benefits for anyone who is below State 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 State 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 the local authority may not backdate your council tax support.

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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 (Rate Rebate Helpline)

rating@lpsni.gov.uk

valuation@lpsni.gov.uk

raterebate@lpsni.gov.uk

www.finance-ni.gov.uk/articles/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 (for England)

www.gov.wales/find-your-local-authority (for Wales)

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 exemptions, disregards and discounts you may be entitled to, and how to apply.

Valuation Tribunal for England

0303 445 8100 (9am–5pm Monday–Friday)

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.

Valuation Tribunal for Wales

01633 255003

correspondence@valuationtribunal.wales

www.valuation-tribunals-wales.org.uk/

The Valuation Tribunal for Wales hears local taxation appeals, mainly with regard to council tax and non-domestic rating (business rates).



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Last reviewed: November 2024
Next review due: November 2027

This factsheet has been reviewed by experts and people affected by dementia.

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

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At Alzheimer's Society we're working towards a world where dementia no longer devastates lives. We do this by giving help to everyone who needs it today, and hope for everyone in the future.

We have more information on **Practical arrangements after diagnosis**.

For advice and support on this, or any other aspect of dementia, call us on **0333 150 3456** or visit alzheimers.org.uk

Thanks to your donations, we're able to be a vital source of support and a powerful force for change for everyone living with dementia. Help us do even more, call **0330 333 0804** or visit alzheimers.org.uk/donate



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