Council tax is a charge 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 applies in England and Wales. Northern Ireland has a rates system and every property is valued individually. For information on discounts and exemptions if you are in Northern Ireland, contact the rebate section of the Land and Property Service in your local area (see ‘Other useful organisations’).

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Council tax

Council tax applies to both owner-occupied and rented homes. The bill for each property is calculated on the basis that two or more adults are living there. However, you will 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 of the eight pricing ‘bands’ the property comes into, based on its value
- the rate set by the local authority
- whether the people living there are eligible for any support, reductions or exemptions.

The council tax system is complicated and quickly changing. Anyone with further questions should contact their local authority’s council tax department.

Who pays?

One or more people can be legally 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 and joint tenants are both responsible for council tax, as are husbands and wives, civil partners and people living together as partners.

Discounts, disregards and exemptions

Some people 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 difference.
Discounts
Certain people will get a discount and will therefore pay a reduced rate of council tax. For example, anyone living on their own, or treated as living on their own (see below), is entitled to a 25% reduction on their bill. This is called the ‘single person’s discount’. There are other types of discount too.

Disregards
Disregards apply to people living in the property. Some people are disregarded and become invisible for council tax purposes. So, for example, if one of two occupants is disregarded, it will be 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. The different types of disregards are important because of how they affect exemptions (see below).

A person with dementia may be disregarded if they are severely mentally impaired. This applies to anyone who meets all of the following criteria:

- has a severe impairment of intelligence and social functioning which appears to be permanent
- has a certificate confirming this impairment from a registered medical practitioner, usually the person’s GP or consultant
- is entitled to certain disability benefits - the most common qualifying benefits are Attendance allowance (lower or higher rate), Disability living allowance (higher or middle rate care components) and Personal independence payment (lower or higher 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 as set out above, and is therefore disregarded for council tax. That means Gwen is treated as living alone, even though she isn’t. They will get the 25% ‘single person’s discount’.
Exemptions
Exemptions apply to properties, rather than people. An exemption means the whole property is exempt 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 there is no payment due.

Example: Nancy 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 signed her form under the severe mental impairment rules. This means she is disregarded and her house is now exempt. She pays no council tax.

It is important to know that not all disregards mean the property will be exempt from council tax. Some disregards mean the person doesn’t count for council tax purposes, but the property is treated as if it is empty and will be charged an empty property rate (see ‘Empty properties’ below). An example of this type of disregard would be if a carer who meets certain criteria lives at the property.

Living with a carer
A spouse or partner will not get a discount or disregard as a result of being a carer. If someone lives with and cares for a partner who meets the severe mental impairment criteria (and no one else lives in the property), the spouse or partner will be charged council tax as a single person as if they lived alone, as in the example of Tony and Gwen shown above.

However, some other carers can be disregarded for council tax purposes if they fall into one of two groups. The first group of carers who are disregarded for council tax purposes must meet all the following criteria:

- care for at least 35 hours a week
- live in the same property as the person they care for
- are not the partner of the person they care for
- are not 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 (highest rate of the care component), Personal independence payment (either rate of the daily living component), Attendance allowance (higher rate) or Constant attendance allowance. The person being cared for may fulfil all of the severe mental impairment criteria, but this is not essential for the carer to claim.

The second group of carers who are disregarded for council tax purposes must meet all the following criteria:

- provide care or support on behalf of a local authority, government department or charity, or provide care through an introduction by a charity, where the person being cared for is the carer’s employer
- are employed to care for the person for at least 24 hours a week
- are paid no more than £44 per week
- live where the care is given.

Someone who falls into either of these carer groups is disregarded for council tax purposes. However, the type of disregard they receive is different to someone who is severely mentally impaired. This type of disregard doesn’t mean that the property will be exempt for council tax purposes. The person will pay a reduced council tax bill but they will pay something.

**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 Jo, his daughter. Jo is also disregarded for council tax purposes because she is recognised by the local authority as his carer (see the first group of criteria above). Therefore, because both Peter and Jo are disregarded, this property is being treated as if it is empty 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 dwelling can count as a carer, including where caring responsibilities are being shared.
Empty properties

Some empty properties are exempt from council tax – for example, if the property is left empty by someone who has moved into hospital or a care home, or gone to receive or provide care because of a disability or illness. However, most properties that are unoccupied for two years or more don’t qualify for a discount. They may even face a 50% 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 it is empty. Under these circumstances, the property would usually attract a charge of 50% of the full council tax. The local council will provide details of charges for the property.

Under new localised support schemes (see ‘Support with council tax’ below), many local authorities have changed the rules for how these exemptions apply, depending on why the property is not occupied. The council tax department in the local council should be able to advise on any discounts.

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, or 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. The council tax department of the local authority will have more information about this.
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. It is not necessary to give a reason as to why it was not originally applied for, but 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, since a test case in 2013, some councils try to use the Limitations Act (1980), which restricts backdating to a maximum of 6 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. Neither of these is allowed.

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’). 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 the person is unhappy with the decision, they can make an appeal to their local authority. If this is refused, they 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

As part of the government’s welfare reforms, the national scheme for Council tax benefit (a benefit to help with council tax for people on a low income) in England and Wales was abolished in April 2013. It was replaced with a local scheme called the Council tax support scheme. Each local authority has to run a scheme that provides support for people on a low income to pay their council tax. This scheme will vary from one local authority to another.
The financial support available to help with paying council tax will depend on a range of factors. These may include:

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

People of pension age can get up to 100% of their council tax supported in this way, if their income is low enough. People of working age can get a rebate of between 70-100%, depending on the local authority. Many older people, especially owner-occupiers, fail to claim this support and are missing out on what can be quite 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. For more information see www.counciltaxsupport.org/schemes

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

**Council tax support and Universal credit**

Universal credit is a new benefit which is replacing many benefits for anyone who is under the age at which they qualify for Pension credit. For more information see factsheet 413, *Benefits*.

Council tax support will not be part of the Universal credit system. However, local authorities may be able to use information from a person’s Universal credit claim to help them decide how much support they will provide with a person’s council tax.
Other useful organisations

Valuation Tribunal for England
Second Floor
120 Leman Street
London E1 8EU

0300 123 2035
www.valuationtribunal.gov.uk

An independent appeals tribunal, funded by the government to handle council tax and rating appeals in England. It provides a free service and local hearings, and the members who hear appeals are trained volunteers.

Land & Property Services (previously Rate Collection Agency) in Northern Ireland
0300 200 7801
www.lpsni.gov.uk

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.
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Reviewed by Gary Vaux, Head of Money Advice Unit, Hertfordshire County Council and Paul Rose, Money and Benefits Adviser, Joseph Rowntree Foundation
This factsheet has also been reviewed by people affected by dementia.
A list of sources is available on request.

Alzheimer’s Society National Dementia Helpline

**England, Wales and Northern Ireland:**

0300 222 1122
9am–8pm Monday–Wednesday
9am–5pm Thursday–Friday
10am–4pm Saturday–Sunday

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