

# MONMOUTHSHIRE COUNTY COUNCIL

## Discounts and Exemptions 2018-19

### Discount Disregards

Council tax is based on the assumption that there are two or more adults resident in a dwelling. It should be noted that once children reach 18 years of age they will be counted for council tax purposes unless they qualify to be disregarded. Council tax charges are not increased if there are more than two residents but a 25% discount can be given when there is only one - providing the dwelling is their **sole or main residence**. When counting the number of people who have their sole or main residence in the dwelling some may be "disregarded" for council tax purposes as follows:

### Persons in detention

Detained by order of a court in a prison, a hospital or some other place (though not if detained for non-payment of council tax).

### Severely mentally Impaired

The statutory definition for council tax purposes is as follows:

***"A person is severely mentally impaired if he/she has a severe impairment of intelligence and social functioning (however caused) which appears to be permanent"***.

A medical certificate is required from a doctor or other medical practitioner to certify the diagnosis based on this statutory definition and not on any other medical view. In addition, the person must be entitled to at least one of a number of state benefits which include:

incapacity benefit, disability living allowance, personal independence payments, attendance allowance, severe disablement allowance, care component of the disability living allowance, severe disablement pension and more. As the names of benefits can change it is best to refer any queries to the Revenues team.

### Persons for whom child benefit is payable

persons under 18 are not counted for council tax purposes. However, as soon as they reach 18 they are considered to be adults and will be counted unless they fall into a disregard category. One such category is when child benefit is still being paid for them.

### School and College leavers

People under the age of 20 who leave school between 1<sup>st</sup> May and 31<sup>st</sup> October will be disregarded. This means that those who leave school but embark on a full time course of education e.g. they go to university, will not be counted for council tax purposes even though they are over 18. If there are still two or more adults living at home this won't make any difference but a single parent could lose their single occupancy discount if it wasn't for this exemption.

### Students

Those undertaking a full time course of education at a prescribed educational establishment. The course must be for at least one academic year (min 24 weeks) with periods of study, tuition or work experience for an average of 21 hours a week. The college or university will provide a certificate to verify student status which we need to see before we grant the discount.

### Student nurse

This is someone who is not enrolled at a college or university but following a course leading to an appropriate registration as a nurse or midwife. They will be disregarded because they are treated as academic students.

### Apprentice

This is someone of any age who is employed for the purpose of learning a trade or profession and is undertaking a training programme leading to an accredited qualification. However, the disregard can only be allowed if their salary and any allowance total no more than £195\* per week.

\*(income level subject to review)

### Youth Training Trainees

Must be aged under 25 and undertaking training arranged under the Employment and Training Act 1973 and the training scheme must be one defined in the Jobseeker's Allowance Regulations 1996.

### Hospital Patients

A person who spends time in hospital receiving care or treatment will not be disregarded even if their stay in hospital is for many months. This particular disregard is meant for those whose health problems mean they are unlikely to return home and whose main residence is now an NHS hospital. This situation commonly occurs with elderly people waiting for the opportunity to transfer on a permanent basis to a residential or care home.

### Patients in Homes

A person who is resident in a care home, hostel or independent hospital where they are receiving care or treatment will be disregarded. Does not apply to resident staff.

## **Care Workers**

### Type 1

To be disregarded a care worker must either (1) provide care or support on behalf of a relevant body e.g. the local authority or a charitable organisation **or** (2) be employed by the person who needs the care having been introduced by a charitable organisation.

They must provide care for at least 24 hours a week and be paid no more than £44\* per week. In the case of (2) above they must also be resident in accommodation provided by or on behalf of his/her employer for the better performance of the work. \*(income level subject to review)

### Type 2

You may also be disregarded if you provide care for someone resident in the same dwelling providing the person receiving the care is in receipt of certain benefits. E.g. higher rate attendance allowance, care component of the disability living allowance. These allowances frequently get renamed by DWP so always best to refer to the Revenues team.

Unfortunately, this disregard will **not** be available to certain relatives of the person needing the care i.e. the husband or wife (same applies to couples living together) or the parent of a child under 18 years of age.

## **Residents of Hostels**

Providing the accommodation for the homeless is not comprised of self-contained units any residents will be disregarded.

## **Members (and dependants) of International Headquarters and Defence Organisations.**

The relevant organisations are listed under section 1 of the International Headquarters and Defence Organisations Act 1964.

## **Members of Religious Communities**

Where the principal occupation is prayer, contemplation, education, the relief of suffering or any combination of these. In addition, to be disregarded each person must have no capital and no income (except for any occupational pension from a former employment). They must also be dependent upon the community for their material needs.

## **Members (and dependants) of visiting forces**

If one person who would otherwise be liable for council tax person living in the dwelling is associated with a visiting force then the dwelling will be exempt even if others live in the dwelling. However, if a member of a visiting force was simply a lodger at a dwelling then the disregard would not apply because he would not be liable for the council tax (having an inferior interest).

## **Non-British spouses of students**

A person who is the spouse or civil partner or dependant of a student is disregarded if that person is not a British citizen and is prevented by immigration regulations from taking paid employment or claiming benefits whilst in the UK.

## **Persons with diplomatic privilege or immunity**

This exemption applies to persons on whom privileges and immunities are conferred by a number of statutes including the Diplomatic Privileges Act 1964. The person must not be a permanent resident of the UK.

## **Empty Properties**

After the expiry of any exemption that may be appropriate depending on the circumstances, the full council tax is payable. The person(s) liable to pay this charge is the owner or a tenant if there is a lease for 6 months or more which is unexpired. No means tested council tax support can be given on an empty property.

The Government is very concerned about the number of empty dwellings around the country at a time when there is a housing shortage and so have passed new regulations giving councils the power to levy a premium charge (up to 200%) on long term empties (empty for more than 12 months after 1<sup>st</sup> April 2017) and/or on properties that are 2<sup>nd</sup> homes. These new regulations came into force on 1<sup>st</sup> April 2017 but 12 months' notice has to be given about such a change in policy. MCC has not yet decided to take advantage of the new regulations so a maximum of charge of 100% remains.

## **Exemptions**

In certain circumstances no council tax will be payable because the property qualifies for full exemption. Some of these exemptions are time limited but others may remain exempt for as long as the qualifying criteria remains. Some require the property to be vacant (unoccupied and substantially unfurnished) \* whilst for others it just needs to be unoccupied. \*\*

**Class A - maximum period of allowance 12 months**

vacant dwellings requiring or undergoing major repair works to make it habitable **or** undergoing structural alteration. The allowance can be given for up to 6 months after the works have been completed providing the property has remained vacant (subject to the restrictions of 12 months maximum period allowed).

Evidence of work required e.g. photos, estimates/invoices from builders etc. Our visiting officer must inspect to verify the claim so it is essential to apply before the work is commenced.

**Class B**

Dwellings owned by a Charity may be exempt for up to 6 months from the date it became unoccupied providing it was used for the purposes of the Charity up to that date. It makes no difference whether furnished or not.

**Class C**

The dwelling must be vacant i.e. unoccupied and substantially unfurnished. The exemption begins as soon as the property becomes vacant and can be given for up to 6 months. After that period expires the full amount is payable. This is important for prospective purchasers who mistakenly believe they can claim the full 6 months exemption if become the owner of a vacant property. They need to find out how much, if any, of the 6 months is still available.

**Class D**

Full exemption applies if a dwelling is left unoccupied because the owner or tenant (who would be liable to pay the council tax) is detained in a prison, hospital or other place by order of a court or under military law.

**Class E**

Full exemption applies when the person who is liable to pay the council tax has their sole or main residence in a care home, hostel or private hospital in which they are receiving care or treatment. The dwelling must previously have been their sole or main residence before moving to the care facility.

**Class F**

Full exemption applies when the only occupier who was liable to pay the council tax dies. Providing the property remains unoccupied since date of death (regardless of whether it is furnished or not) full exemption can be given until probate is granted or letters of administration made. After that date the exemption may continue for a further period - up to 6 months. Once entitlement under class F ends council tax becomes payable. As a concession the regulations dictate that only 50% may be levied for the next 6 months after which time the full charge is payable which is the same as other empty properties.

Summary

*While waiting for probate - full exemption*

Once probate granted

*0 to 6 months - full exemption*

*6 to 12 months - 50% charge*

*12 months + - 100% charge*

An application for exemption under class C (unoccupied and unfurnished) could also be considered and would have to commence from the date the furniture was removed. Whether or not that gives any additional benefit depends on the length of time the class F exemption runs for since they may run concurrently.

**Class G**

Exemption will apply if occupation is prohibited by law or any Act of Parliament with a view to prohibiting occupation or acquiring it.

**Class H**

Dwellings which are unoccupied because they are being held available for a minister of religion as a residence from which he/she will perform the duties of their office will be exempt.

**Class I**

Similar to class E except the dwelling has been left unoccupied because the person who would be liable to pay the council tax has gone to live with someone else in order to receive care. The property must have been their sole or main residence prior to moving. Care can be required due to old age, disablement, illness, past or present alcohol or drug dependence or past or present mental disorder. Full exemption applies. E.g. an elderly person moving in with family member.

**Class J**

Similar to class I except the dwelling has been left unoccupied because the person who would be liable to pay the council tax has gone to live with someone else in order to provide care. Full exemption applies. E.g. a family member moving in with elderly parent.

**Class K**

When the owner is a student of an unoccupied property full exemption may be given providing it was his sole or main residence when it was last occupied. The exemption only continues for so long as the person remains a student.

**Class L**

If a person defaults on repayment of a mortgage the lender (the mortgagee) may take possession of the property and may subsequently be sold to pay the outstanding loan. This exemption does not commence until the dwelling is vacated by the occupants.

**Class M**

Full exemption applies to student halls of residence so long as they are owned or managed by a prescribed educational establishment or by a body established for charitable purposes or where the majority of students are nominated by an educational establishment.

**Class N**

Any dwelling which is occupied only by students is exempt providing it is their term-time accommodation. Exemption ends when any occupant no longer meets the student criteria.

**Class O**

Living accommodation **provided** for UK armed forces are exempt but contributions in lieu of council tax is paid to local authorities by the Ministry of Defence.

**Class P**

A dwelling is exempt if the person who would be liable has a relevant association with a visiting force from a country to which the Visiting Forces Act 1952 applies.

**Class Q**

Full exemption is given when the person who would be liable is a trustee in bankruptcy. Doesn't matter whether the property is furnished or not. This exemption stops any further liability being added to the estate of the bankrupt individual.

**Class R**

Caravan pitches and boat moorings are treated like dwellings for council tax purposes. However, full exemption is given for a pitch without a caravan or a mooring without a boat.

**Class S**

Any dwelling occupied only by person(s) under 18 years of age is exempt.

**Class T**

This applies to unoccupied dwellings more commonly thought of as "granny annexes" but may also extend to other types of property e.g. agricultural properties. This is where there is a second dwelling which is part of another (main) dwelling and the second dwelling may not be separately let out without a breach of planning control. The exemption continues even if the main dwelling becomes unoccupied.

**Class U**

Dwellings that are occupied only by person(s) who are "severely mentally impaired" are fully exempt. The definition of a severely impaired person is the same as that required for considering a discount disregard. However, this exemption does not extend to residential homes even if all the residents are severely mentally impaired because liability for this type of residence rests with the non-resident owner.

**Class V**

A dwelling is exempt if it is the main residence in the UK of at least one person on whom diplomatic privileges and immunities have been conferred. However, if there is also a resident with a superior interest, in terms of the hierarchy of liability, then the exemption does not apply. There may however be an opportunity for a discount disregard.

**Class W**

Occupied annexes are exempt if it forms part of a single property including at least one other dwelling and is the sole or main residence of a dependent relative of someone living in that other dwelling(s). For this purpose a dependent relative is

- (a) aged 65 or more
- (b) severely mentally impaired or
- (c) substantially and permanently disabled ( whether by illness, injury, congenital deformity or otherwise).

The list of persons considered to be a relative is exhaustive and includes those who are related because of a marriage and partners living together as a couple.