



**Independent
Age**



Council Tax

Ways to reduce your bill



Thank you

We would like to thank those who shared their experiences as this guide was being developed, and those who reviewed it for us.

What do you think?

We welcome your feedback on our publications. We use your comments to plan future changes.

If you'd like to help us develop our information products, you can join our Readers' Panel. To find out more, call **020 7050 6560** or visit **independentage.org/readers-panel**.

Our publications

In this guide you'll find references to our other free publications. To order them, call **0800 319 6789** or visit **independentage.org/publications**.

If you would like this information in a different format – such as large print or audio CD – call us on **0800 319 6789** or email **helpline@independentage.org**.

While we make every reasonable effort to ensure that our information is accurate at the time of publication, we do not accept any liability arising from its use. Our information should not be used as a substitute for professional advice. The inclusion of other organisations does not constitute an endorsement from us.

The sources used to create this publication are available on request.

© Independent Age 2024

Author: Independent Age

Production: Independent Age

Design: Mark Errington

Photography: Leanne Benson cover, 9; Maria Brosnan p13;

Lee Townsend p5

Contents

1. How does Council Tax work?	2
2. Council Tax exemptions	3
3. Council Tax Reduction	6
4. Council Tax discount	8
5. The Disabled Band Reduction scheme	10
6. Second Adult Rebate	11
7. FAQs	12
Hear from our Helpline	13

Date of publication: April 2024

Next review date: April 2025

We spoke to older people about their experiences. Their quotes appear throughout. We have changed the names of some of the interviewees who wished to be anonymous. Some of the images seen throughout this guide are posed by friends of Independent Age.

The PIF TICK is the UK-wide Quality Mark for Health Information.

1. How does Council Tax work?

Council Tax pays for local government services, like police and fire services, rubbish collection, libraries, road repairs and street lighting.

How much you pay depends on the area you live in and the value of your home. You are likely to be responsible for paying Council Tax, whether you are renting or own your home. This guide looks at how you might be able to reduce your Council Tax bill.

Council Tax bands

Homes are divided into tax bands based on their market value. The full amount of Council Tax you pay depends on what band your home is in. There are eight bands in England and Scotland, and nine in Wales. You can find your Council Tax band on your Council Tax bill. You can also check online at **[gov.uk/council-tax-bands](https://www.gov.uk/council-tax-bands)**.

You might qualify for a discount, exemption or reduction to pay some or all of your bill, depending on your situation.

2. Council Tax exemptions

Sometimes, you might not need to pay Council Tax at all.

Homes are sometimes exempt from Council Tax, either for a set amount of time or, in some cases, indefinitely. For example, a home might be exempt if:

- it's empty because the person who lived there has moved to a care home, or they are living with a relative so they can be cared for
- it's empty because the person living there has moved out so they can care for someone else
- everyone living in the home has been medically certified as 'severely mentally impaired' – this might happen if they have dementia, Parkinson's or a serious mental health condition
- there's a self-contained annexe and the person living there is a dependent relative of the person who owns the main property. This only applies if you live in England or Wales. That person should be 65 or over, or severely mentally impaired, or substantially and permanently disabled. Only the annexe would be exempt from Council Tax, not the main property.

If you are selling the home of someone who has died

In England and Wales, if you're selling the home of someone who has died, you don't need to pay Council Tax until after you get legal rights to deal with it (also called probate). The home must remain empty.

You can get a Council Tax exemption for another six months after you get the legal rights to sell the home. But, the home must:

- stay empty, and
- still be owned in the name of the person who has died – it can't, for example, be in your name.

In Scotland, if the owner of the property has died, the property can be exempt for six months. After this, you might be offered a Council Tax Discount for another six months.

The rules around this can be complicated. If you need support, contact our Helpline on **0800 319 6789** to arrange to speak to an adviser.



You can call us for advice if you think your council may have made a wrong decision, or read our factsheet **What to do if you disagree with a benefits decision.**



3. Council Tax Reduction

Council Tax Reduction – also called Council Tax Support – helps people with a low income to pay their Council Tax.

You may qualify if you have no income or a low income. If you get Pension Credit, you are entitled to the maximum Council Tax Reduction. This could be a 100% reduction.

If you don't receive Pension Credit, Council Tax Reduction is means-tested. This means the council will look at your income and capital (for example, savings) to work out whether you qualify.

If you do qualify, the reduction you get will depend on:

- your income
- your capital – you must have less than £16,000 in capital unless you get Pension Credit
- whether you're over State Pension age
- how the scheme works in your area
- your circumstances – for example, who else you live with.

How to apply

Ask your local council for details of their scheme ([gov.uk/apply-council-tax-reduction](https://www.gov.uk/apply-council-tax-reduction)). You might also want to check whether you qualify for Housing Benefit or Pension Credit.



Read our guide **Pension Credit** and our factsheet **Housing Benefit** for more information.

You could also try our online benefits calculator ([independtage.org/benefits-calculator](https://www.independtage.org/benefits-calculator)) or call us on **0800 319 6789** to arrange a benefits check.

“ I passed this guide on to my neighbour. She rang the council and is now paying no Council Tax and is due a refund for money paid out.

4. Council Tax discount

Full Council Tax rates are calculated on at least two people living in a home. If your circumstances are different to this, you might qualify for a discount.

If you live alone

If you live alone, you're entitled to a 25% reduction. Contact your council to let them know you live alone.

You can find your council's contact details at [gov.uk/find-local-council](https://www.gov.uk/find-local-council) or in the phone book.

If the person you live with is disregarded

Not everyone is counted when working out how much Council Tax you'll have to pay. This means you'll be treated as living alone if you only live with someone who is, for example:

- severely mentally impaired
- a full-time student
- a long-term hospital patient
- a live-in carer or care worker.



If you're unsure whether the people you live with are disregarded for Council Tax, check with your local council, or call our free Helpline on **0800 319 6789** to arrange to speak to an adviser.

If everyone who lives in your home is disregarded, you'll still have a Council Tax bill, but you'll get a 50% reduction.



5. The Disabled Band Reduction scheme

You may pay less Council Tax under the Disabled Band Reduction Scheme if anyone living with you is 'substantially and permanently disabled'.

One of these conditions also has to be met:

- there is an extra bathroom or kitchen in the property that is needed by the disabled person
- there is a room (other than a bathroom, kitchen or toilet) needed by and mainly used by the disabled person
- there is enough space in the property for the disabled person to use a wheelchair indoors.

If you think this might apply to you, speak to your council or call our Helpline on **0800 319 6789**.

What reduction could I get?

If you qualify, your Council Tax will be reduced to the band below yours (for example, from band E to band D), or by one sixth if your home is in the lowest band.

Contact your local council to find out more and apply for the scheme.

6. Second Adult Rebate

If you're living with another adult who has a low income and isn't your partner, you may be able to get Second Adult Rebate if your council offers this.

Your income and capital are ignored – only the circumstances of the second adult are considered. So, you might want to apply for Second Adult Rebate if your savings are too high to claim Council Tax Reduction (see **page 6**).

People who are disregarded for Council Tax purposes, or who are joint owners or joint tenants of the property with you, don't count as second adults.

You can't get both Second Adult Rebate and Council Tax Reduction. If you qualify for both, your council must award you whichever amount is higher.



Ask your local council if Second Adult Rebate is available in your area and how to claim ([gov.uk/find-local-council](https://www.gov.uk/find-local-council)). You can't get Second Adult Rebate if you live in Wales.

7. FAQs

Can I spread the cost of my bill?

Council Tax is usually paid over 10 months of the year. You can ask to spread the cost over 12 months instead. Contact your council to arrange this.

I've heard I can challenge my Council Tax band. How does that work?

You can get your Council Tax band reviewed if you think it's wrong. However, be aware that you could be moved to a higher band, not just a lower one. You can also challenge the council's decision about whether you should be paying Council Tax, or how much you are paying.

See our factsheet **What to do if you disagree with a benefits decision** for more information. You can also call our Helpline on **0800 319 6789**.

Can I get discounts backdated?

Yes – you can ask for discounts to be backdated to when you first qualified for them. There's no time limit to apply for a discount, but backdating may be limited to six years.

If you're over State Pension age, you can ask for Council Tax Reduction to be backdated by up to three months in England and Wales, and six months in Scotland.



Hear from our Helpline

We get lots of calls from people wondering if they can reduce their Council Tax bill.

One thing people are often not aware of is that they can get a discount if a doctor agrees that someone in their household should be considered 'severely mentally impaired'.

For example, a recent caller told us that he was a carer for his wife, who had late-stage dementia. She was getting the higher rate of Attendance Allowance and he was getting Carer's Allowance, but it hadn't occurred to him that they might be able to get other financial help.

I advised them that they should be getting a 25% discount on their Council Tax bill, and that some councils also let you backdate your claim, so they could be owed a refund!

About Independent Age

No one should face financial hardship in later life.

Independent Age is a national charity providing support for older people facing financial hardship. We offer free impartial advice and information on what matters most: money, housing and care.

We financially support local community organisations across the UK through our grants programme. We campaign for change for older people struggling with their finances.

You can call us on freephone **0800 319 6789** (Monday to Friday, 8.30am to 5.30pm) or email **helpline@independentage.org** to arrange to speak to one of our advisers.

To donate or help support our work, please visit **independentage.org/support-us**.



Independent Age
18 Avonmore Road
London
W14 8RR

independentage.org

charity@independentage.org
Helpline 0800 319 6789
Head office 020 7605 4200



© Independent Age 2024

Independent Age is the operating name of the Royal United Kingdom Beneficent Association.
Registered charity number 210729 (England and Wales) SC047184 (Scotland).