



## Appendix B – Individual Sample Calculations

The following shows the impact of different households based on the current and the revised banded income schemes.

Household A is a single person in receipt of Jobseekers Allowance

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£73.10	£73.10
Applicable amount	£73.10	£73.10
Excess income	£0.00	£0.00
Weekly Ctax Liability	£26.87	£26.87
Weekly CTS reduction	£16.39	£16.12
Weekly Council Tax due	£10.48	£10.75
Annual Council Tax due	£544.96	£559.00

Under the current scheme the claimant would be expected to pay 39% of the liability, under the new scheme they would be in band 1 and would have a 60% reduction and would be liable to pay 40%. The reason for this small adjustment is to simplify the scheme by using round numbers and would not have a considerable impact on the claimant.

Household B is a single parent with 5 children; one of those children is under 5 so she is in a protected group, B works 16 hours per week and is in receipt of tax credits.

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£475.80	£475.80
Applicable amount	£425.05	£425.05
Excess income	£50.75	£50.75
Weekly Ctax Liability	£25.67	£25.67
Weekly CTS reduction	£18.06	£20.54
Weekly Council Tax due	£7.61	£5.13
Annual Council Tax due	£395.72	£266.76

Under the current scheme they would not be subject to 39% reduction, under the proposed scheme they would fall into band 2 and would have an 80% reduction and be expected to pay 20% of the liability.

If Household B was on minimum wage and increased his hours to 18 per week and all other circumstances remained the same

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£492.22	£492.22
Applicable amount	£425.05	£425.05
Excess income	£67.17	£67.17
Weekly Ctax Liability	£25.67	£25.67
Weekly CTS reduction	£15.59	£15.40
Weekly Council Tax due	£10.08	£10.27
Annual Council Tax due	£524.16	£534.04

Under the current scheme they would not be subject to 39% reduction, under the proposed scheme they would fall into band 3 and would have a 60% reduction and be expected to pay 40% of the liability.

Using Household B again, if one of the children who is over 5 left the property to live with her mother but all other income remained the same, working 18 hours per week, the only change would be a reduction to the applicable amount

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£492.22	£492.22
Applicable amount	£358.15	£358.15
Excess income	£134.07	£134.07
Weekly Ctax Liability	£25.67	£25.67
Weekly CTS reduction	£5.56	£5.13
Weekly Council Tax due	£20.11	£20.54
Annual Council Tax due	£1045.72	£1068.08

Under the current scheme they would not be subject to 39% reduction, under the proposed scheme he would fall into band 5 and would have a 20% reduction and be expected to pay 80% of the liability.

Household C is couple with 1 child; one of the couple works and they are in receipt of tax credits. They are not in a protected group.

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£271.14	£271.14
Applicable amount	£199.20	£199.20
Excess income	£71.94	£71.94
Weekly Ctax Liability	£30.78	£30.78
Weekly CTS reduction	£12.19	£10.77
Weekly Council Tax due	£18.59	£20.01
Annual Council Tax due	£966.68	£1040.52

Under the current scheme they would be subject to 39% reduction, under the proposed scheme they would fall into band 3 and would have a 35% reduction and be expected to pay 65% of the liability.

If the partner in household C started working and earned £55 per week and the other circumstances remained the same

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£326.14	£326.14
Applicable amount	£199.20	£199.20
Excess income	£126.94	£126.94
Weekly Ctax Liability	£30.78	£30.78
Weekly CTS reduction	£7.16	£7.69
Weekly Council Tax due	£23.62	£23.09
Annual Council Tax due	£1228.24	£1200.68

Under the current scheme they would be subject to 39% reduction, under the proposed scheme they would fall into band 4 and would have a 25% reduction and be expected to pay 75% of the liability.

Using Household C again, if they had another child and the partner was no longer earning £55 per week but all other circumstances were the same

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£271.14	£271.14
Applicable amount	£266.10	£266.10
Excess income	£5.04	£5.04
Weekly Ctax Liability	£30.78	£30.78
Weekly CTS reduction	£18.31	£18.47
Weekly Council Tax due	£12.47	£12.31
Annual Council Tax due	£648.44	£640.12

Under the current scheme they would be subject to 39% reduction, under the proposed scheme they would fall into band 1 and would have a 60% reduction and be expected to pay 40% of the liability.

## Self Employed

Claimant A is a single parent to a 5 year old son and 8 year old daughter, so would not be in a protected group. they are in receipt of Child Tax Credit, Working Tax Credit and Child Benefit and have been a self-employed product retailer since 2008; they are currently making a loss.

	Current Scheme	Proposed Scheme
Weekly Self Employed Net Income	£0.00	£205.25
Total Weekly Income (less disregards)	£138.94	£319.19
Applicable amount	£224.35	£224.35
Excess income	£0.00	£94.84
Weekly Ctax Liability	£35.48	£35.48
Weekly CTS reduction	£21.64	£12.42
Annual amount to pay	£719.68	£1199.12

Under the old scheme they would be subject to the 39% reduction. Under the new scheme they would fall into band 4 and have a 35% reduction.

Claimant B is a single person who is a self-employed gardener, currently earning £217.26 per week

	Current Scheme	Proposed Scheme
Weekly Self Employed Net Income	£217.26	£263.95
Total Weekly Income (less disregards)	£190.16	£236.85
Applicable amount	£73.10	£73.10
Excess income	£117.06	£163.75
Weekly Ctax Liability	£26.87	£26.87
Weekly CTS reduction	£2.11	£4.03
Annual amount to pay	£1287.52	£1187.68

Under the old scheme they would be subject to the 39% reduction. Under the new scheme they would fall into band 5 and have a 15% reduction