

## Council Tax Option 2 Case study 1 - Removal of family premium

Band B property for 2015, couple working with 3 children. Earned income £229.00 weekly, tax credits of £160.21 a week and child benefit of £48.10 weekly (which is disregarded as income). **Total weekly income £437.31.**



**From 2017 the Government propose to remove the family premium for new claims from the calculation of Housing benefit.**

### Current Bill

Council tax liability Band B	£1178.71
Maximum eligible amount limited to 80%	£942.97
Benefit due on 80% liability	£638.41
<b>Annual amount to pay</b>	<b>£540.30</b>
<b>Weekly amount to pay</b>	<b><u>£10.33</u></b>

### Possible Future Bill

#### Removal of family premium

Council tax liability Band B	£1178.71
Maximum eligible amount limited to 80%	£942.97
Benefit due without Family premium	£455.93
<b>Annual amount to pay</b>	<b>£722.78</b>
<b>Weekly amount to pay</b>	<b><u>£13.82</u></b>



**This would reduce the future costs of LCTS however it is not possible to model as the proposal is to remove the Family premium for new claims and for any new families. Removal of the family premium would align LCTS with the Housing Benefit and policy intention of the Government.**