

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

Band D for 2015, a couple with 3 children. Earned income £115.79 weekly, tax credits of £315.49 per week, Disability Living Allowances mobility low rate £21.80 per week and care low rate of £21.80 per week and child benefit £48.10 weekly. Disability Living Allowance and Child Benefit are disregarded as income. **Total weekly income £522.98.**



**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 D	£1546.56
Maximum eligible amount (100%)	£1546.56
Benefit due on current scheme	£1387.14
<b>Annual amount to pay</b>	<b>£159.42</b>
<b>Weekly amount to pay</b>	<b><u>£3.05</u></b>

### Possible Future Bill

#### Removal of family premium

Council tax liability band D	£1546.56
Maximum eligible amount (100%)	£1546.56
Benefit due without Family premium	£1204.66
<b>Annual amount to pay</b>	<b>£341.90</b>
<b>Weekly amount to pay</b>	<b><u>£6.54</u></b>



**This would reduce the future costs of LCTS however it is not possible to model the exact cost on the scheme 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.**