

Appendix 1

# **HOUSING & COUNCIL TAX BENEFIT War Pension Disregard Policy**

# Housing & Council Tax Benefit War Pension Disregard Policy

## Introduction

It is essential that West Lindsey District Council has a policy for dealing with customer income from War Pensions and War Disablement Pensions in the calculation of Housing Benefit and Council Tax Benefit entitlement.

The Housing Benefit Regulations 2006 make provision for the first £10.00 of income from War Widows (Widowers)/War Disablement Scheme and the Armed Forces Compensation Scheme to be disregarded in any benefit assessment. The cost of this disregard is fully reimbursed to the Council.

The Social Security Administration Act 1992 gives the Council discretion to disregard any amount it chooses in addition to the statutory provision. Historically the Authority and the majority of Local Authorities nationally have taken advantage of this provision and fully disregarded income that claimants receive from the War Widows (Widowers)/War Disablement Scheme and the Armed Forces Compensation Schemes.

## Policy Aims are to:

- Ensure that an income that is being received as a 'compensation' for a loss due to war does not negatively affect the person's entitlement to housing and council tax benefit;
- Ensure income from the schemes is treated consistently when assessing entitlement to housing benefit;
- Ensure that everyone gets fair treatment and equal opportunity;
- Promote a transparent and simple process that is easily understood; and
- Provide staff with guidance for making reasonable, fair and consistent decisions.

## Financial Impact

Any additional benefit granted due to a disregard that is above the statutory levels (£10) will reduce the amount of subsidy received by the Council. 75% of this additional benefit is compared to 0.2% of the total subsidy claimed by the Council and the Council can claim back the lower of these two figures. In effect for every £100 of benefit granted as a result of a full disregard of the income will cost the Council £25.

Recent levels of benefit paid under the modified scheme are around £25,000 per year of which £18,750 is subsidised by the Department for Work and Pensions and £6,250 is funded by the Council.

## Policy

The Council will fully disregard income from War Widows (Widowers)/War Disablement Scheme and the Armed Forces Compensation Scheme when assessing entitlement to Housing and Council Tax Benefit.

## Monitoring Arrangements

The application of this Policy will be checked as part of the benefits Subsidy checking quota and annually the disregard will be included in the Department for Work and Pensions Subsidy Final Claim (MPF720A). In turn a proportion of the affected claims are checked again by internal staff and then by the DWP appointed Auditors