

BP1***Assessment of capital***

About this chapter	P1.00
Effect of Pension Credit (guarantee credit)/ (guarantee and savings credit)	P1.20
Whose capital should be included	P1.30
Treatment of capital owned by child/young person	P1.32
Polygamous marriages.....	P1.40
Treating the claimant as having the capital and income of a non-dependant.....	P1.41
What is capital?	P1.70
Ownership of capital.....	P1.100
Beneficial and legal ownership of capital.....	P1.101
Ownership disputed	P1.105
Trust funds	P1.130
When there is a trust	P1.131
Trustees.....	P1.133
The powers of trustees	P1.134
Terms of a trust	P1.135
Treatment of an interest in a trust	P1.136
Absolute entitlement to capital	P1.136
Contingent interest.....	P1.139
Reversionary interest	P1.141
Vested interest.....	P1.144
Life interest or life rent.....	P1.148
Discretionary trusts	P1.151
Charitable trusts	P1.154
Bare trusts.....	P1.157
Investments as part of the trust	P1.158
Treatment of personal injury payments	P1.159
What counts as a personal injury payment?	P1.159
When to validate and value capital	P1.170
Valuation of claimant's capital in Pension Credit (savings credit) only cases	P1.150
Disregarded capital	P1.180
Capital assets disregarded for up to 26 weeks	P1.200
Capital assets disregarded for 52 weeks	P1.201
Capital assets excluded indefinitely	P1.210
Official error	P1.230
Self-employed business assets.....	P1.240
Treatment of vCJD Trust payments	P1.244
How payments are made	P1.246

Contents

Can payments be disregarded?	P1.249
Payments to vCJD victims or their partners	P1.250
Payments to parents or persons acting in place of parents of vCJD victims	P1.251
Payments to a dependent child or young person	P1.252
Derived payments - overall limit	P1.253
Capital derived from a vCJD trust payment	P1.254
Deprivation of capital from a vCJD trust payment	P1.255
Treatment of LBRCF payments	P1.270
Indefinite disregard	P1.280
Two year disregard	P1.290
Effect of capital on HB/CTB	P1.330
Capital over £16,000.....	P1.330
Capital of £10,000 or less	P1.331
Capital between £10,000 and £16,000	P1.350
Assumed income from capital.....	P1.350
Jointly owned capital.....	P1.380
Jointly owned property.....	P1.381
Joint tenancy.....	P1.381
Tenants in common.....	P1.382
Capital assets held abroad.....	P1.400
Valuation of capital.....	P1.430
National Savings Certificates	P1.440
Rounding up units of NSCs.....	P1.444
Precise valuation required	P1.450
Ulster Savings Certificates	P1.451
Land, building or house property.....	P1.470
Valuing the property	P1.475
Action before requesting a valuation.....	P1.475
Obtaining a valuation from the District Valuers Services - form LA2(rev)	P1.480
Multiple valuations for same property	P1.483
Action by the District Valuers Services	P1.484
Claimant disputes the valuation	P1.490
Jointly owned property	P1.491
Stocks and shares.....	P1.510
Unit trust holdings.....	P1.530
Particular forms of capital	P1.560
Chose in action	P1.560
Court of Protection.....	P1.580

Fixed term investments	P1.600
Friendly Societies – personal deposit accounts	P1.620
Interest in an unadministered estate	P1.640
Lump sum compensation payments	P1.641
Matrimonial assets on breakdown of marriage	P1.642
Payments under an annuity	P1.660
Notional capital	P1.680
Deprivation of capital	P1.700
Identifying deprivation	P1.702
Deciding if claimant formerly owned the capital	P1.710
Burden of proof	P1.711
Reason for disposing of capital asset	P1.730
Knowledge of the capital limit	P1.740
Diminishing notional capital	P1.760
Claimant still entitled to HB/CTB	P1.765
Claimant is not entitled to HB/CTB when notional capital is applied	P1.775
Claimant reapplies for HB and/or CTB	P1.785
Claimant reapplies 26 weeks or more after date of deprivation decision	P1.788
Claimant reapplies less than 26 weeks after date of deprivation decision	P1.795
Change in claimant's circumstances	P1.795
No change in claimant's circumstances	P1.799
Claimant becomes entitled to HB and/or CTB	P1.802
Claimant still not entitled to HB and/or CTB	P1.803
Pension Credit claimants affected by deprivation	P1.830
Person entitled to guarantee credit	P1.831
Guarantee credit cases	P1.833
Pension Credit (savings credit) only cases	P1.836
General issues on deprivation	P1.870
Disposing of capital to buy personal possessions	P1.890
Deprivation of jointly owned capital	P1.930
Definitions used in this chapter	Annex A
Tariff income assumed from capital	Annex B
Table for valuing National Savings Certificates	Annex C
Form LA1(rev)	Annex D
Form LA2(rev)	Annex E
Valuation of government securities	Annex F
Person dies whilst deferring their Retirement Pension	Annex G
Disregard of deferred Retirement Pension lump sum - examples of how capital will display on RIS20212	Annex H

BP1 Assessment of capital

About this chapter

- P1.00 This chapter gives guidance on
- what to regard as capital
 - ownership of capital
 - how to value capital
 - disregarded capital, including disregard periods
 - particular forms of capital
 - effect of capital on Housing Benefit (HB)/Council Tax Benefit (CTB)
 - notional capital, and
 - deprivation of capital
- P1.01 It is necessary to find out the full value of a claimant's capital and, under the rules of the schemes, which capital
- can be disregarded, or
 - must be taken into account
- P1.02 There is no entitlement to standard HB/CTB if the claimant has capital exceeding £16,000, and is
- entitled to Pension Credit (savings credit) only
 - not entitled to Pension Credit
- P1.03-P1.19

Effect of Pension Credit (guarantee credit)/ (guarantee and savings credit)

- P1.20 There is no fixed upper capital limit for Pension Credit, although capital is taken into account and may affect Pension Credit entitlement.
- P1.21 Assumed income from capital is more generous in Pension Credit than in Income Support (IS). £1 for every £500 of capital (or part thereof) held above the £10,000 disregard (also £10,000 for people in care homes) is used in the Pension Credit calculation.

P1.22-P1.40

- P1.22 Entitlement to Pension Credit (guarantee credit) or (guarantee credit and savings credit) gives claimants linked entitlement to full HB/CTB. This applies even if they have, or subsequently obtain, capital exceeding £16,000.

HB(SPC) Reg 22 & 26; CTB(SPC) Reg 14 & 16

P1.23-P1.29

Whose capital should be included

- P1.30 When calculating HB and CTB for working age claimants, treat the claimant as having the capital and income belonging to their partner. Read any reference in this chapter to a claimant as applying to their partner.

HB Reg 25; CTB Reg 15

- P1.31 When calculating HB and CTB for pensioners

- treat the claimant as having the capital and income belonging to their partner
- **disregard the income and capital of** any child or young person who is a member of the family

HB(SPC) Reg 25; CTB(SPC) Reg 15

HB(SPC) Reg 23; CTB(SPC) Reg 13

Treatment of capital owned by child/young person

- P1.32 Do **not** include a child's or young person's capital with the claimant's when calculating the amount of capital to take into account.

HB Reg 25; CTB Reg 15

P1.33-1.39

Polygamous marriages

- P1.40 In the case of a polygamous marriage

- treat the claimant as having the capital and income belonging to each partner, and
- disregard the income and capital of any child or young person who is a member of the family, if the claimant is of working age

HB(SPC) Reg 25; CTB(SPC) Reg 15

Treating the claimant as having the capital and income of a non-dependant

P1.41 If the Local Authority (LA) has good reason to suppose that a claimant and non-dependant are colluding to receive HB/CTB, or an increase in HB/CTB, treat the claimant as having the capital and income of the non-dependant if this is greater than the capital and income of the claimant. The claimant's capital and income, in these cases, is ignored.

P1.42 For HB purposes this provision is in addition to the contrived tenancy provisions, see *A3 Claimants who are liable but are treated as if they are not* earlier in this manual. **Note:** It cannot be applied to claimants receiving Pension Credit guarantee credit.

HB(SPC) Reg 24; CTB(SPC) Reg 14

P1.43-P1.69

What is capital?

P1.70 As a general rule, capital includes all categories of holdings which have a clear monetary value, and includes notional capital.

HB(SPC) Reg 25, 44, 46 & 49; CTB(SPC) Reg 15, 34, 36 & 39

P1.71 A payment of capital can normally be distinguished from income because it is

- made without being tied to a period
- made without being tied to any past payment, and
- not intended to form part of a series of payments

P1.72 Capital can take a variety of forms. Examples of capital holdings are shown below

- a chose in action (known in Scotland as Action of Accounting, or Action for Payment, depending on whether the claimant knows how much money is due)
- absolute entitlement to the whole, or a share, of funds held on trust
- building society accounts
- buildings, but not the property in which the claimant lives
- capital held by the Court of Protection or a deputy appointed by that Court
- Co-operative share accounts
- current and deposit bank accounts, for example Barclays, Abbey National
- fixed term investments, such as building society term shares
- land

continued

(P1.72)-P1.99

- (P1.72)
- lump sum arrears from the Pension Protection Fund
 - lump sum bereavement payment
 - lump sum compensation payments
 - lump sum redundancy payments, including any ex-gratia redundancy payment from an employer
 - lump sum widow's payments
 - money borrowed
 - money invested in a business
 - money saved under a Save As You Earn (SAYE) scheme
 - National Savings Bank accounts
 - National Savings Certificates and Ulster Savings Certificates

HB(SPC) Reg 47; CTB(SPC) Reg 37

- National Savings Income Bonds
- Premium Bonds
- refund of social security contributions
- savings held in cash, for example in the house
- stocks and shares
- Trustee Savings Bank (Lloyds TSB) accounts, including special investment accounts
- unit trusts

This list is not exhaustive and should be used as a guide only.

P1.73 *HB(SPC) Reg 44, CTB(SPC) Reg 34 and Sch 6* provide that capital is calculated in accordance with rules laid down in these regulations and that amounts are disregarded from the calculation of capital as specified in Schedule 5ZA, see *Disregarded capital* later in this chapter.

P1.74 If a payment was made in respect of a period when HB/CTB was paid before those arrears were paid, calculate the capital including arrears of

HB(SPC) Reg 44; CTB(SPC) Reg 34

- Child Tax Credit (CTC)
- Working Tax Credit (WTC)
- Pension Credit

P1.75-P1.99

Ownership of capital

- P1.100 The ownership of capital should not normally cause any problem because the asset will usually belong to the person in whose name it is held. Assess any capital on this basis unless ownership is disputed.

Beneficial and legal ownership of capital

- P1.101 Capital, in whatever form, always belongs to the **beneficial owner**, that is the person who stands to gain. The person in whose name the capital is held is known as the **legal owner**. Usually, the beneficial owner and the legal owner are the same person, but this is not always the case. Examples of when the legal owner is not the beneficial owner are when
- a solicitor holds money on behalf of a client
 - professional trustees hold property on trust for beneficiaries, under a trust created by a will or by deed of settlement
 - a trust arises as a matter of law
- P1.102 In all these cases, it is clear that the legal owner is not the beneficial owner. The legal owner holds the capital in their name and can deal with it, for example, by withdrawing money from a bank account or selling property, but they do not own the capital, and the law will hold them responsible to the beneficial owner for the way in which they deal with it.
- P1.103 A person's capital resources are represented by the amount that they **beneficially** own. Special rules apply for capital which
- is owned by two or more people, see *Jointly owned capital* later in this chapter
 - the claimant has not got, but is treated as having, see *Notional capital* later in this chapter
- P1.104 In the absence of a declaration of trust, any capital which is held in the claimant's name but is said to be for the benefit of another person should be
- regarded as beneficially owned by the claimant, and
 - treated in the same way as other types of personal capital

Ownership disputed

- P1.105 If a claimant states that their capital is actually less than seems apparent from the initial information, you should ask for more evidence as necessary.

P1.106-P1.131

P1.106 This may include the person's account of events including why and how the capital came to be in the claimant's name and possession. If it is claimed that the money is held for someone else, ask for evidence of the

- arrangement
- origin of the money
- intentions for its future use, and
- return to the alleged rightful owner

Example 1

At the date of claim, Mr T declared that he had recently acquired £1,200 which he said was beneficially owned by his uncle. The claimant intended to purchase a car for himself and to repay his uncle in monthly instalments of £100.

Treat the claimant as beneficially possessing the full amount of the capital. The intended use of the money and the manner of the repayments indicate that rather than looking after the money for his uncle, the claimant had received a loan.

Example 2

The claimant's partner has £8,000 in a bank account in her own name.

The partner was able to show that the money was being held on behalf of her daughter who was working abroad for two years. The intention was that the money would be returned upon the daughter's return to the UK, following completion of her work.

Treat the claimant's partner as having no beneficial interest in the £8,000 because she acts as a trustee on behalf of her daughter.

P1.107-P1.129

Trust Funds

P1.130 Include a person's rights to capital under a trust when working out the person's capital.

When there is a trust

P1.131 There is a trust when a person gives capital to another person to hold **and** says for whom that capital has to be used. The person

- giving the capital in
 - England and Wales is the donor
 - Scotland the truster
- holding the capital is the trustee and is the legal owner of the capital
- who the capital has to be used for is the donee and is the beneficial owner

P1.132 People for whom the capital has to be used can include the trustee.

Trustees

P1.133 A trustee can be any person or body such as

- a relative
- a solicitor
- a bank
- in England and Wales, the
 - donor
 - Court of Protection. The Ministry of Justice (MoJ) selects a regulated banker to hold the money in the name of the beneficiary. The banker needs a court order before being able to release the money to the beneficiary
 - Public Trustees
- in Scotland, the truster

The powers of trustees

P1.134 The powers of trustees, including discretionary powers to release money, are governed by

- the terms of the trust deed
- the law of equity
- in England and Wales only, the provisions of the
 - Trustees Act, or
 - Administration of Estates Act
- in Scotland only, the Succession (Scotland) Act
Trustee Act 1925; Trusts (Scotland) Act 1921 as amended by Trusts (Scotland) Act 1961

Terms of a trust

P1.135 The terms of a trust

- say what is being held on trust **and** who the donees are
- do not have to be written down provided the trust property is not land, but if they are, they may be in a
 - will
 - deed of trust, or
 - deed of settlement

P1.136-P1.142

Treatment of an interest in a trust

Absolute entitlement to capital

- P1.136 A sole beneficiary with an absolute, that is unconditional, interest under a trust which is established (vested) has an actual resource. The beneficiary could call for the entire trust capital and trust income to be transferred to them at any time.
- P1.137 If the beneficiary is incapable of managing their affairs, any deputy appointed by the Court of Protection could call for the transfer on their behalf. Even if a person has not yet reached the age of 18 years, if they have an absolute share in a trust fund, treat them as having an actual resource.
- P1.138 The value of any **capital** to which a beneficiary is absolutely entitled should be taken into account in the normal way, whether or not it is paid over by the trustees.

Contingent interest

- P1.139 A person who will become absolutely entitled to the money in a trust when some specified event occurs is said to be contingently entitled or to have a contingent interest. For example, if the terms of the trust say a person can have £10000 if the person lives to the age of 21, the interest is a contingent interest. If the person lives to the age of 21 they get £10000. If the person does not live to the age of 21 they get nothing.
- P1.140 For benefit purposes, the value of any contingent interest is completely disregarded until the contingent event occurs, when the value of the trust will be taken into account as the claimant's capital unless the funds are derived from a personal injury payment, see *Treatment of personal injury payments* later in this chapter.

Reversionary interest

- P1.141 In England and Wales an interest in a trust is reversionary if the possession or enjoyment of it is postponed to the prior interest of another person in the same capital.

Example

George has a reversionary interest in a house if the terms of the trust say

- 1 Edith has a life interest in that house, and
- 2 George gets the house on the death of Edith.

George's interest in the house is reversionary until he takes possession of the house. George takes possession of the house when Edith dies.

- P1.142 A reversionary interest is not the same as a contingent interest because people with a reversionary interest already have an interest in a trust. They do not have to do something or wait for something to happen before they get an interest in a trust but a person with a contingent interest does.

- P1.143 If people with a reversionary interest die before they take possession of their interest the reversionary interest is included in their estate.

Vested interest

- P1.144 Children or young people have a vested interest in capital which
- they are the beneficial owners of
 - is being held for them until they reach the age of majority, in
 - England and Wales, 18 years old
 - Scotland, 16 years old
- P1.145 A vested interest is not the same as a contingent or reversionary interest because the capital already belongs to the child or young person. A child or young person may have a contingent or reversionary interest in a trust which has been set up with another person's capital.
- P1.146 If children and young people with a vested interest die before they get their interest, ie the capital held in trust, the interest is included in their estate.
- P1.147 In England and Wales trustees may decide to pay the income earned on a vested interest to the parent or guardian of the child or young person who has the interest¹. If the trustees make a payment of income it is income which is treated as capital and how it is treated for benefit purposes depends on what the payment is intended and used for. The LA cannot make the trustees pay over the income.

¹ *Trustee Act 1925, s 31(1)(i)*

Life interest or life rent

- P1.148 If someone has an interest in a trust for the duration of their life it is called, in
- England and Wales, a life interest
 - Scotland, a life rent
- P1.149 A person may have a life interest or life rent in the
- capital
 - real or heritable property such as a house or trust
- P1.150 Rights under a life interest or life rent end with the death of the person who has the life interest. The assets of the trust fund do not form part of their estate as the person is not the beneficial owner of the capital held in trust. Therefore, take into account as income any income generated from the trust and paid to the claimant.

P1.151-P1.158

Discretionary trusts

- P1.151 A discretionary trust is when the trustees have the discretion to make payments to donees. The trustees usually try to take account of the wishes and intentions of the person who set up the trust. Many trusts let the trustees invest the capital of a trust at their absolute discretion. This means the trustees have a choice in how the capital is invested. This does not mean the trust is a discretionary trust. There has to be something else in the terms of the trust to show it is a discretionary trust.
- P1.152 The trustees of a discretionary trust may or may not make payments to the people with an interest. The trustees cannot be made to make payments to those people.
- P1.153 If the trustees make a payment it is a voluntary payment. If the payment is made regularly, disregard it as income. Treat irregular payments as capital.

Charitable trusts

- P1.154 A charitable trust is always discretionary and must be wholly and exclusively charitable and promote a public benefit.

HB Reg 42, 49 & Sch 6; CTB Reg 32, 39 & Sch 5

- P1.155 Charitable trusts do not have to be registered, nor do they have to be administered by registered charities. They are usually for the relief of poverty, the advancement of education or religion, or for some other purpose beneficial to the community.
- P1.156 Treat one-off charitable or voluntary payments as capital. Regular income payments are charitable payments and fully disregarded.

HB Sch 5 Para 14; CTB Sch 4 Para 15

Bare Trusts

- P1.157 If money is held in a Bare Trust, the beneficiary has the right to say how the money is spent.

Investments as part of the trust

- P1.158 The trustees may invest part of the award in
- investment bonds
 - stocks and shares
 - property
 - a business

Disregard these investments in full.

continued

(P1.158)

Example 1

A trustee buys a cottage which is refurbished using monies from the trust, and then let out as a holiday cottage. The property forms part of the trust's assets, so is fully disregarded.

The rental income is paid back into the trust and is managed by the trustees. This becomes part of the capital of the fund and is also disregarded.

Treatment of personal injury payments

What counts as a personal injury payment?

P1.159 A personal injury payment is one that must have been made

- in consequence of a personal injury
- to the claimant or a member of their family for whom they are claiming

Personal injuries include diseases, eg lung disease, as well as injuries, eg loss of a limb in an accident.

P1.160 Personal injury payments can include

- Vaccine Damage Payments
- lump sum awards of damages
- out of court settlements, eg by insurance companies
- lump sum gratuities under the War Pensions and Industrial Injuries schemes
- Criminal Injury Compensation Scheme payments
- lump sum payments following charitable collections or public donations made to people injured in an accident or disaster
- lump sum payments from accident insurance
- payments from the Department of Trade and Industry (DTI) compensation schemes for ex-miners
- payments from the Armed Forces and Reserve Forces Compensation Scheme (AFRFCS)

Note: This list is not exhaustive.

P1.161 If a claimant has received a payment in respect of a deceased relative, the personal injury payment rules do not apply. Instead, normal capital rules should be applied. For example, the DTI payments made to widows of ex-miners cannot be disregarded because they are intended to make sure the person suffering the injury or disease, not their widow, does not suffer any detriment.

P1.162-P1.169

When to validate and value capital

- P1.170 Validation and valuation of capital is always required when the declared capital for a claimant exceeds £10,000 or is approaching or may approach that figure.
- P1.171 Capital which is not immediately realisable, such as NSB investment accounts which require one month's notice, or Premium Bonds which take some weeks to realise, should be taken into account in the normal way at its face value.

Valuation of claimant's capital in Pension Credit (savings credit) only cases

- P1.172 LAs must use The Pension Service's calculation of the claimant's capital. If the capital is over £16,000, the claimant is not entitled to HB.

HB(SPC) Reg 27 & 43; CTB(SPC) Reg 17 & 33

- P1.173 There are exceptions to this rule where the LA must do its own assessment of the claimant's capital, even when The Pension Service has informed the LA of its capital calculation in a Pension Credit (savings credit) only case.

- P1.174 This can occur when

- The Pension Service has established entitlement to Pension Credit (savings credit) only, but the claimant has capital of £16,000 or less
- the claimant's capital subsequently rises to more than £16,000, and
- The Pension Service has set an Assessed Income Period (AIP) during which time the claimant does not have to report changes to occupational and private pensions and capital to The Pension Service

- P1.175 The Pension Service will provide details of its assessment of the claimant's income and capital, and the duration of the AIP. Although the claimant does not have to report changes in capital to The Pension Service during the AIP, the £16,000 capital limit still applies and will be a notifiable change for HB/CTB purposes.

HB(SPC) Reg 43; CTB(SPC) Reg 23

- P1.176 If the claimant reports that their capital has increased to over £16,000, reassess the claimant's capital as for any claim for standard HB/CTB.

HB(SPC) Regs 43-49; CTB(SPC) Regs 33-39

P1.177-P1.179

Disregarded capital

- P1.180 Capital disregards are detailed in Part I and Part II of Schedule 6 to the HB/CTB Regs. Part I of Schedule 6 prescribes capital items that are to be disregarded either indefinitely or for a prescribed period. If a capital item is listed in Part I, it will not be used to calculate tariff income in the HB/CTB calculation, see *Annex B Tariff income assumed from capital* later in this chapter.

- P1.181 Capital assets disregarded in full

- i the claimant's home, but only one dwelling may be so disregarded

HB(SPC) Sch 6 Para 1; CTB(SPC) Sch 4 Para 1

- ii premises owned by the claimant and occupied as the home of

HB(SPC) Sch 6 Para 4; CTB(SPC) Sch 4 Para 4

- a person who is

~ a relative of the claimant or their partner when the occupier has reached the qualifying age for Pension Credit

~ incapacitated

For the definitions of relative and incapacitated, see *Annex A* at the end of this chapter

- the claimant's former partner, provided the partner and claimant are not estranged or divorced, for example if one of a couple is admitted permanently into residential care, and is no longer treated as a member of the family

- iii any future interest in property, that is to say property which a person does not yet have any rights to, but in which they will acquire an interest on a specific date or following some future event, such as reaching a certain age, or on the death of a relative. **Remember:** Since October 1995, land or premises let to tenants cannot be disregarded as a reversionary interest

HB(SPC) Sch 6 Para 5; CTB(SPC) Sch 4 Para 5

- iv the surrender value of any life insurance policy

HB(SPC) Sch 6 Para 11; CTB(SPC) Sch 4 Para 11

- v any personal possessions

HB(SPC) Sch 6 Para 8; CTB(SPC) Sch 4 Para 8

- vi the value of any funeral plan contract

HB(SPC) Sch 6 Para 12; CTB(SPC) Sch 4 Para 12

continued

(P1.181)

- (P1.181) vii any compensation payment made on or after 1 February 2001 to people who were imprisoned or interned by the Japanese during World War 2, or if they have died, to their surviving spouse. In some cases an individual may receive two payments, eg a woman who was interned as a civilian and is also the widow of a Far Eastern prisoner of war

HB(SPC) Sch 6 Para 13; CTB(SPC) Sch 4 Para 13

- viii any compensation payment made to people who worked as slave and forced labourers under the Nazi regime during World War 2, when the recipient was a victim of the atrocity, the partner of the victim or the widow or widower of the victim. The victim is the person who, during World War 2, was a slave or forced labourer, suffered property loss or personal injury, or was the parent of a child who died. If the original recipient dies and the compensation payment is inherited by their spouse, the capital disregard still applies indefinitely

HB(SPC) Sch 6 Para 15; CTB(SPC) Sch 4 Para 15

- ix any payment from the

HB(SPC) Sch 6 Para 14; CTB(SPC) Sch 4 Para 14

- Independent Living (Extension) Fund and the Independent Living (1993) Fund
- Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No 2) Trust, the Eileen Trust or the Fund, the MFET Ltd trust fund and any sum derived from such a payment
- London Bombings Relief Charitable Fund (LBRCF) and any sum derived from such a payment, but see *Treatment of LBRCF payments* later in this chapter

HB(SPC) Reg 47; CTB(SPC) Reg 37

- x any payment made in consequence of an personal injury to the claimant or partner. **Note:** There is no need to check when the payment was made or whether the claimant still has all the payment because the disregard is always appropriate. However, the disregard is not transferable if the person, to whom the payment was made, dies

HB(SPC) Sch 6 Para 17; CTB(SPC) Sch 4 Para 17

- xi any banking charge or commission for converting a payment of capital that is made in a currency other than Sterling

HB(SPC) Sch 6 Para 23; CTB(SPC) Sch 4 Para 23

- xii the value of the right to receive an occupational or personal pension

HB(SPC) Sch 6 Para 24; CTB(SPC) Sch 4 Para 24

- xiii the value of any funds held under a retirement annuity contract

HB(SPC) Sch 6 Para 25; CTB(SPC) Sch 4 Para 25

continued

(P1.181) xiv any amount equal to the **gross** amount of a lump sum payment, or an interim payment made on account of a final lump sum, of deferred State Retirement Pension. If both members of a couple defer and they each choose a lump sum, both will have a disregard equal to the amount of their gross payment. **Note:** This disregard normally only applies to the person who deferred, ie it cannot normally be inherited, and applies for their lifetime. For details of

- when a disregard may be inherited by a spouse or civil partner, see *Annex G Person dies whilst deferring their State Pension* later in this chapter

HB(SPC) Reg 11; CTB(SPC) Reg 12

- how capital will be displayed on RIS20212, see *Annex H Disregard of deferred Retirement Pension lump sum - examples of how capital will display on RIS20212*

P1.182-P1.199

Capital assets disregarded for up to 26 weeks

P1.200 The capital assets listed below are disregarded for up to 26 weeks or, if it is reasonable in the particular circumstances of the case, for a longer period decided by the LA

- i any premises acquired and intended for occupation by the claimant as their home. The disregard period begins on the date the premises are acquired, and can only be extended to enable the claimant to obtain possession and commence occupation of the premises

HB(SPC) Sch 6 Para 1; CTB(SPC) Sch 4 Para 1

- ii any premises subject to legal proceedings to recover possession for the claimant to occupy those premises as their home. The disregard period begins on the date the claimant first sought advice or first commenced proceedings, whichever is earlier

HB(SPC) Sch 6 Para 2; CTB(SPC) Sch 4 Para 2

- iii any premises which the claimant intends to occupy as their home but which require essential repairs or alterations to make them habitable. This disregard can only be extended to enable the repairs or alterations to be carried out

HB(SPC) Sch 6 Para 3; CTB(SPC) Sch 4 Para 3

- iv a dwelling formerly occupied by the claimant following estrangement or divorce from a former partner. The disregard period begins on the date of leaving the home. A disregard under this provision applies for 26 weeks, unless the home is occupied by a former partner who is a lone parent when the disregard applies for as long as the home is so occupied

HB(SPC) Sch 6 Para 6; CTB(SPC) Sch 4 Para 6

- v any premises not just a former home the claimant is taking reasonable steps to sell, the period may be extended beyond 26 weeks if the claimant is taking reasonable steps to dispose of the property

HB(SPC) Sch 6 Para 7; CTB(SPC) Sch 4 Para 7

- vi self-employed business assets, see *Self-employed business assets* later in this chapter

HB(SPC) Sch 6 Para 9; CTB(SPC) Sch 4 Para 9

P1.201

Capital assets disregarded for 52 weeks

P1.201 In certain circumstances capital assets are disregarded for 52 weeks from the date of receipt

- i amounts paid under an insurance policy in connection with loss or damage to the claimant's home and personal possessions

HB(SPC) Sch 6 Para 18; CTB(SPC) Sch 4 Para 19

- ii amounts paid to the claimant and deposited in their name solely for

HB(SPC) Sch 6 Para 18; CTB(SPC) Sch 4 Para 20

- purchasing premises which they intend to occupy as their home
- effecting essential repairs or alterations to the premises which they occupy or intend to occupy as their home

- iii when payments of arrears, or any concessionary payment to compensate for late payment of benefit or official error, are made for

HB(SPC) Sch 6 Para 18; CTB(SPC) Sch 4 Para 21

- AA under section 64 of the Social Security Contributions and Benefits Act 1992, ie **not** as defined in regulation 2
- DLA
- IS
- JSA(IB)
- income-related Employment and Support Allowance (ESA(IR))
- Pension Credit, if the arrears payment was made in respect of a period when HB/CTB was paid before those arrears were paid

HB(SPC) Sch 6 & CTB(SPC) Sch 4

- HB
- CTB
- CAA/ESDA
- any amount included in a war widow/widower's pension in respect of the claimant's severe disablement or need for constant attendance

P1.202 The term 'concessionary payment' means payment under arrangements made by the Secretary of State, with the consent of the Treasury, which comes out of the same Parliamentary approved funds as benefits payable under the Social Security Acts

- amounts paid under the Supporting People Scheme
- payments in lieu of payment of benefit

P1.203-P1.209

Capital assets excluded indefinitely

P1.210 Part II of Schedule 6 prescribes which capital items must be excluded indefinitely from the calculation of tariff income and from the overall capital limit of £16,000. The intention is that for the items listed in Part II, actual income should be taken into account, but the capital value ignored and no tariff income calculated.

Example

The pensioner takes out an annuity with capital of £40,000 from which they are to receive a regular monthly income of £100. The £40,000 would be disregarded from the tariff income calculation, and from the overall capital limit of £16,000. However, the actual income of £100 per month would be fully taken into account in the HB/CTB calculation

P1.211-P1.229

Official error

P1.230 From 14 October 2002, arrears of benefit and/or concessionary payments made to compensate for late payments, that have arisen as a consequence of an *official error*, should be disregarded for

- 52 weeks from the date of issue for payments less than £5000
- payments of £5000 or more for
 - the duration of the claim to which the arrears payment is first applied, or 52 weeks whichever is longer
 - until the claimant spends that payment if this is less than the duration of the claim

P1.231 In these circumstances 'duration of claim' means the award period in which the relevant sum is received and any continuous award periods until the end of the last such period.

P1.232-P1.245

- P1.232 Arrears of separate benefits should not be added together and a permanent disregard should be applied to each benefit individually. However, concessionary payments to compensate for late payment can be added to the arrears payment as this will have been due as a consequence of the same official error.

P1.233-P1.239

Self-employed business assets

- P1.240 Provided the self-employed earner is engaged in the business, their business assets should be disregarded indefinitely.
- P1.241 If the self-employed earner stops trading permanently, apply the disregard for whatever period you decide is reasonable to allow for the disposal of each asset, starting on the date the person stopped being a self-employed earner in that business.
- P1.242 Apply the test of reasonableness to each asset. It may be appropriate to disregard some assets and take some into account. It is not necessary to wait until all the assets have been realised before taking into account the value of an asset.
- P1.243 If the self-employed earner is temporarily not trading because of sickness, an accident or any other incapacity, and they intend to return to their business when they are able, disregard the business assets for 26 weeks. This period may be extended if the circumstances warrant it.

HB(SPC) Sch 6 Para 9; CTB(SPC) Sch 5 Para 9

Treatment of vCJD Trust payments

- P1.244 Following publication of the BSE Enquiry Report (the Phillips Report) in October 2000, the Department of Health set up trust funds from which payments were made to those who contracted variant Creutzfeldt-Jakob Disease (vCJD), and their immediate families.
- P1.245 These payments are not intended to meet day-to-day living costs, and the intention was that recipients of such payments and their families should not lose entitlement to income-related benefits as a result of a trust payment being made to them.

How payments are made

- P1.246 Interim payments of £25,000 were made on or after 12 April 2001, and will be followed by a final award. These payments may be directly payable to
- the vCJD victim
 - a surviving partner or spouse
 - a parent
 - a dependent child or children
 - brothers or sisters
 - a carer
 - others
- P1.247 Money which is derived from one of the trusts may be gifted to, or be inherited on a person's death by, a claimant or a member of their family.
- P1.248 Recipients of payments from the vCJD trusts were advised to keep the payments in separately identifiable accounts or investments, and were told to inform their LA when payment was received.

Can payments be disregarded?

- P1.249 These payments can be disregarded as capital for HB/CTB purposes for either a fixed period or indefinitely, depending on who the recipient is.

HB(SPC) Sch 6 Para 14; CTB(SPC) Sch 4 Para 14

Payments to vCJD victims or their partners

- P1.250 Payments to vCJD victims, their partners or surviving partners are disregarded indefinitely, ie for their lifetime. The terms 'partner' or 'surviving partner' applies to a person who
- is, or was, married to and living in the same household as a vCJD victim
 - lives with the victim as an unmarried couple, or was living with the victim as an unmarried couple when the victim died
 - would be, or would have been, living with the vCJD victim when they died but for the fact that the victim is/was in residential care

Example

Jamie Webster died of vCJD in 1999. His widow, Anne Marie, claims HB. Anne Marie received a vCJD trust payment on 30 July 2001.

The payment is disregarded for Anne Marie's lifetime.

P1.251

Payments to parents or persons acting in place of parents of vCJD victims

- P1.251 Payments to the parent of a vCJD victim, regardless of the age of the victim, or to a person who is or was acting in the place of a parent of a dependent child victim, is disregarded for a period of two years from the date the payment was made to them.

Example 1

Lydia Morris died on 20 March 2001. Her father, Jack Morris claims HB. He received a payment from the vCJD trust on 17 April 2001.

The payment is disregarded as capital until 17 April 2003.

Example 2

Andy Johnson is 15 and suffers from vCJD. His parents are dead and he lives with his elder brother, Ivan, who is a private tenant. Ivan is acting as Andy's father. He receives WFTC and HB.

Andy received a payment from the vCJD trust on 12 April 2001, which is disregarded indefinitely.

Andy died on 27 July 2001 and Ivan inherited the remainder of the payment that Andy did not spend and receives it on 27 September 2001.

The capital Ivan inherited from the trust is disregarded until 27 September 2003.

Example 3

Natalie Mackie, 14, lives with her grandparents Gina and Terry. They get CTB.

Natalie's father, Karl, gets Child Benefit (ChB) for her. Gina and Terry have not made a claim for ChB for Natalie.

Natalie suffers from vCJD and received a payment on 19 April 2001.

Natalie died on 2 August 2001 and Gina and Terry inherited the remainder of the vCJD trust payment that Natalie did not spend. This capital cannot be disregarded if they can be treated as having acted in place of her parents. The fact that they did not get ChB for her is only one factor amongst many that you would need to take into account when deciding if the capital can be disregarded.

Payments to a dependent child or young person

P1.252 Payments made to a dependent child or young person, or payments derived from such payments, are disregarded for two years from the date

- on which the payment is made, **or**
- of payment to the date before
 - they leave full time education, **or**
 - their 19th birthday

whichever is the latest

Example

Judy and Keith Malone live with their dependent son, Craig, who is aged 15. Keith died of vCJD on 21 May 2001. On 15 July 2001, Craig inherited £35,000 and his mother inherited £45,000. Both these amounts are derived from a vCJD trust payment made to Keith. Judy and Craig have no other capital.

Judy claims HB for herself and Craig.

Judy's capital is disregarded during her lifetime.

Craig stays in full time education until he is 17. Judy continues to claim for him after this date as a dependant up to his ChB terminal date.

Craig's capital will continue to be disregarded in Judy's claim until Craig is aged 19 or 15 July 2003, whichever the latest.

Derived payments - overall limit

P1.253 When capital is derived, either as a gift or inherited on a victim's death, by a claimant or member of their family, the disregard only applies to capital up to the amount of any trust payments made to the victim.

Example

Holly Jones' partner, Hywel, received a vCJD trust payment in respect of his daughter, Emma. Hywel died six months after Emma's death. Holly is the sole heir to the estate.

Apart from £45,000, the remainder of the vCJD trust payment that he did not spend, Hywel left £6,500 in Premium Bonds.

The disregard only applies to the £45,000 vCJD trust payment. The £6,500 is treated as capital in the normal way.

P1.254-P1.279

Capital derived from a vCJD trust payment

P1.254 The capital disregard only applies to the original vCJD trust payment. Any income generated from the trust payment should be taken into account in the normal way, and claimants must inform the LA of any such income.

Deprivation of capital from a vCJD trust payment

P1.255 The two year disregard is in place to allow a reasonable time for recipients to spend the money as they wish, including for example, making gifts.

P1.256 Normal deprivation rules apply at the end of the disregard period.

P1.257-P1.269

Treatment of LBRCF payments

P1.270 Following the terrorist attacks in London on 7 July 2005, the LBRCF was set up to provide relief for those directly affected.

P1.271 From 12 December 2005 all payments made by the LBRCF are fully disregarded. The disregard applies equally for both current and future benefit awards. The disregard may be

- indefinite
- for two years

P1.272-P1.279

Indefinite disregard

P1.280 An indefinite disregard applies to all payments from the LBRCF made to the

- qualifying person, ie the injured/deceased person
- qualifying person's
 - partner
 - spouse/partner
 - child

Example 1

The injured person receives a payment from the LBRCF. For benefit purposes the payment is disregarded in full for the remainder of their life.

Example 2

The spouse and child of a person killed in the London bombings each receive a payment from the LBRCF. For benefit purposes the

- spouse's payment is disregarded in full for the remainder of the spouse's life
- child's payment is disregarded in full for the remainder of the child's life

P1.281 In addition, an indefinite disregard applies to derived payments, ie payments made out of money received from the LBRCF made to the qualifying person's

- spouse/partner
- child

Example 3

The injured person receives a payment from the LBRCF. They transfer £2,000 to their partner's bank account. For benefit purposes, the £2,000 is disregarded in full for the remainder of the partner's life.

Example 4

The injured person receives a payment from the LBRCF. They transfer £5,000 to their child's bank account. For benefit purposes, the £5,000 is disregarded in full for the remainder of the child's life.

P1.282-P1.289

P1.290-P1.329

Two year disregard

P1.290 Following the death of the qualifying person, a two year disregard applies to derived payments made to

- their parents
- a guardian, where the qualifying person was a child

P1.291 In these circumstances, any payment made

- out of the estate of the qualifying person to their parent/guardian is disregarded for a maximum of two years
 - starting from the date payment is made out of the estate
 - ending two years from the qualifying person's death

Example 5

The injured person dies on 15 March 2014. In their will they left £2,000 of the LBRCF to their mother. The estate is settled and the mother receives her payment on 16 May 2014. For the mother's benefit purposes, the £2,000 is disregarded in full from 19 May 2014 to 14 March 2016.

- by or on behalf of the qualifying person to their parent/guardian before their death continues to be disregarded until the end of two years from the qualifying person's death.

Example 6

The injured person gave £4,000 of their LBRCF to their father. The injured person dies on 15 May 2008. For the father's benefit purposes, the £4,000 is disregarded in full from 15 May 2008 to 14 May 2010.

P1.292-P1.329

Effect of capital on HB/CTB

Capital over £16,000

P1.330 The capital limit for HB/CTB when the claimant or their partner has reached the qualifying age for Pension Credit is £16,000.

Note: This capital limit **does not apply** if the claimant is in receipt of the guarantee credit or guarantee credit **and** savings credit.

Capital of £10,000 or less

P1.331 If a claimant has capital of £10,000 or less, the

- capital is ignored, and
- claimant is entitled to HB and/or CTB, provided they satisfy the other conditions

P1.332-P1.349

Capital between £10,000 and £16,000

Assumed income from capital

P1.350 If a claimant has reached the qualifying age for State Pension Credit and has capital of over £10,000 (also £10,000 if permanently resident in a care home) but not more than £16,000 after any disregards have been applied, treat them as having an income from their capital equivalent to £1 a week for each multiple of £500 (rounded up to the next £500), between £10,000 and £16,000. This income is known as assumed income from capital.

HB(SPC) Reg 29; CTB(SPC) Reg 19

P1.351-P1.401

P1.351 A table showing how to calculate assumed income from capital is shown at Annex B at the end of this chapter.

HB(SPC) Reg 45; CTB(SPC) Reg 36 & Sch 4

Example 1

A claimant with capital totalling £10,690 is treated as having assumed income from capital of £2 a week.

Example 2

A claimant with capital totalling £10,090 is treated as having assumed income from capital of £1 a week.

Example 3

A claimant with capital totalling £9,995 is treated as having no assumed income from capital.

P1.352-P1.379

Jointly owned capital

P1.380 When a claimant jointly owns a capital asset with others, obtain the claimant's share by dividing the total value of the asset by the number of joint owners. The resulting figure is treated as the claimant's capital resource.

HB(SPC) Reg 49; CTB(SPC) Reg 39

Example 1

If two people have a joint building society account totalling £10,000 to which one has contributed £8,000 and the other £2,000, treat each as possessing £5,000.

P1.381-P1.399

Capital assets held abroad

P1.400 When capital assets are held in a country outside the United Kingdom, the amount to be taken into account in the calculation of benefit will depend on the conditions for its transfer to the UK.

HB(SPC) Reg 46; CTB(SPC) Reg 36

P1.401 If capital held abroad can all be transferred to the UK without restriction, obtain its value in the country where it is held. The amount to take into account is the total value less

- 10% for expenses of sale, and
- the amount of any charge or debt secured on it, such as a mortgage

- P1.402 If you need to determine the value of capital in a country outside the UK, ask the claimant for evidence
- from one of the following
 - a bank of the country concerned in this country or in the other country
 - a solicitor
 - an accountant
 - an estate agent, or similar person, in the country concerned
 - a stockbroker
 - which states
 - details of the asset
 - the names of the beneficial owners
 - the precise value of the asset, if known, but otherwise an estimate value
 - its sale price, if the asset is for sale
 - whether a loan could be raised in the other country using the asset as security and, if so, the amount which could become available to the claimant
- P1.403 In some circumstances the LA may require other evidence, for example the
- purchase price of the asset
 - date of purchase of the asset
 - amount of capital invested in developing or converting land or buildings
- P1.404 If the claimant says that any capital held in a country outside the UK cannot be wholly transferred to the UK because of some prohibition in that country, for example currency restrictions, ask for evidence. Acceptable evidence of the prohibition on transfer of capital to the UK would include documents or letters from a
- bank, either in this country or abroad, or
 - government official or a solicitor
- P1.405 This evidence should show
- details of the asset
 - its value in the country in which it is held
 - whether any money is available directly from the asset and, if so, the amount and date it would become payable
 - whether the asset is for sale and, if so, the progress and prospects of such a sale
 - the nature and terms of the restriction being imposed which prevents the transfer of all the capital to the UK, for example if some capital can be transferred immediately and some at intervals later on

P1.406-P1.442

P1.406 After the LA has examined the evidence on the value of the asset, deal with the claim as follows

- if transfer of the capital is prohibited, take into account the value that a willing buyer would pay in the UK for the assets. This is likely to be less than the market or surrender value in the foreign country
- if the claimant satisfies you that there is no willing buyer, disregard the capital

In these circumstances review the case at reasonable intervals, such as quarterly, in order to check that the prohibition still exists and/or there is still no willing buyer

P1.407 If, after examining the evidence, you decide that no restrictions exist, then value the capital as normal.

P1.408-2.429

Valuation of capital

P1.430 Capital should be valued at its current market or surrender value less 10% if there are costs involved in disposing of it. The 10% is the standard allowance that is applied whatever the actual costs of disposal. Any charge or debt secured against it should also be deducted.

HB(SPC) Reg 45; CTB(SPC) Reg 35

P1.431-P1.439

National Savings Certificates

P1.440 When valuing National Savings Certificates (NSC) you need the current market value or surrender value of the certificates. Ask the claimant to provide a valuation or you can use the online calculator available on the NS&I website www.nsandi.com.

P1.441 Up to 2005 NSCs were updated annually in July. As an aid at *Annex C*, at the end of this chapter, there are three tables for the valuation of National Savings Certificates (NSC) up to July 2005 that apply to all income-related benefits

- 5-year NSC, available for purchase from 19 February 1916 to July 2005
- 3-year NSC, available for purchase from 26 June 2003 to July 2005
- 2-year NSC, available for purchase from 8 October 1999 to July 2005

You must establish which types of certificates the claimant holds.

P1.442 The following points should be noted

- for 42nd and 8th index-linked issues onwards, the value is based on a minimum purchase price of £100
- where only one value appears against the ordinary and reinvestment elements of an issue, the value is the same
- for all issues no longer on sale, the valuation is calculated at the last day of sale

P1.443 Current values are valued at the first date of sale, and the following issues are currently on sale

- 5-year 77th fixed
- 5-year 35th Index linked
- 3-year 8th Index linked
- 2-year 27th fixed

Rounding up units of NSCs

P1.444 When a claimant holds an NSC for an odd amount, ie not for a whole unit, this is because

- an earlier NSC has been cashed in and reinvested
- NSCs purchased from September 1994 onwards can be for any amount over the minimum purchase price of £100.00

P1.445 To establish the number of units held, divide the total value shown on the NSC by the purchase price for that particular issue. This is because if the claimant were to cash in the NSC, National Savings would pay the precise value of the NSC, including fractions of units. Therefore you must calculate the precise value of units held and **not** round up to whole units.

Example

42nd Reinvestment Certificate shows a total value of £2,926.70. The purchase price for each unit was £100.

Divide by purchase price per unit, ie $\frac{£2,926.70}{£100}$

Total = 29.26 units

Multiply the number of units (29.26) by the value of unit as at 1 July 2003 (£138.65) to get total value of Certificate $29.26 \times £138.65 = £4,056.89$

Therefore value of NSC to take into account is £4,056.89

P1.446 Once certificates have been cashed in, the actual amount realised should be taken into account as capital if not yet spent. If any large amounts have been spent, consider deprivation of capital, see *Deprivation of capital* later in this chapter.

P1.447-P1.449

Precise valuation required

P1.450 For precise valuations ask the claimant to provide the information as the NS Department can no longer do so.

P1.451-P1.476

Ulster Savings Certificates

P1.451 Send requests for the valuation of Ulster Savings Certificates to

The Department of Health and Social Services
Income Support Division
Fermanagh House
Ormeau Avenue
Belfast BT2 8HY

P1.452-P1.469

Land, building or house property

P1.470 If any member of the family owns land, building or house property which is not disregarded, that is land or property other than the claimant's home, you should obtain a current market valuation unless one is already available. A valuation can be obtained from the District Valuers Services. For foreign properties (including Northern Ireland) see *Capital assets held abroad* earlier in this chapter.

P1.471-P1.474

Valuing the property

Action before requesting a valuation

P1.475 Before requesting a valuation

- consider the capital disregards see *Disregarded capital* earlier in this chapter, and
HB(SPC) Reg 44 & Sch 6; CTB(SPC) Reg 34 & Sch 4
- if a valuation is needed, obtain the claimant's written permission for a valuation. **Remember:** To comply with the Data Protection Act you must obtain written permission to pass the relevant information to the valuer

P1.476 Send form LA1 to the claimant to get

- written permission to carry out the valuation
- more information about the property to help in the valuation. As the valuation by the District Valuers Services is external, full details of the property and any circumstances that may affect its value will help in determining an accurate valuation, such as whether the property has tenants

A copy of form LA1 is shown at *Annex D* at the end of this chapter.

P1.477 When preparing the LA1 before sending it to the claimant, you must write the case reference number on the form. The case reference number

- must not exceed 16 characters
- should enable you to identify the claimant, even if quoted alone
- is needed by the DWP for audit checks and claimant satisfaction surveys

P1.478 When you receive the completed LA1 from the claimant

- 1 ensure the claimant has
 - a fully completed the form and it is legible
 - b agreed to the property being valued, and
 - c signed the form

The District Valuers Services will return incomplete or incorrectly completed forms to the LA

- 2 prepare and send form LA2 to the District Valuers Services together with the completed LA1 to request a valuation

P1.479 If the claimant does not agree to a valuation of their property, assess capital using a notional valuation. This notional valuation could result in a higher amount being taken into account.

Obtaining a valuation from the District Valuers Services - form LA2

P1.480 When you have the claimant's permission, send form LA2 to the District Valuers Services, with the completed LA1.

P1.481 Prepare the LA2 before sending it to District Valuers Services

- clearly write the case reference number on the form. The case reference number
 - must not exceed 16 characters
 - should enable you to identify the claimant, even if quoted alone
 - is needed by the DWP for audit checks and claimant satisfaction surveys
- clearly write the full address and postcode of the property to be valued
- advise the District Valuers Services whether the valuation is for a wholly owned property (the open market value) or a jointly owned property (the deemed market share)
- all references to deemed market share should be accompanied by a reference to actual market share
- if the valuation is in respect of land, include a plan with the submission showing the boundaries and the name of the nearest main road
- specify the date for which the valuation is required. It would normally be the date of claim or the date a member of the family becomes the owner of land or property, if this is later. A maximum of three dates can be requested. Additional forms must be submitted if more than three dates are required.

continued

HB/CTB Guidance Manual

(P1.481)-P1.485

- (P1.481) • clearly indicate the valuation is for HB and/or CTB purposes. This will ensure no charge is made
- clearly print a telephone number in case of queries
 - complete the **LA address** for the District Valuers Services to return the completed valuation
 - sign and date the form, clearly printing your name underneath your signature in case of any queries

Note: Make sure the completed forms are sent to the District Valuers Services shown on form LA2. Form LA2 is shown at Annex E at the end of this chapter.

P1.482 When appropriate, the percentage beneficial share should be explicitly stated.

Multiple valuations for same property

P1.483 You may ask for the value of a property of up to three different dates, both forms LA1 and LA2 allow for this. Additional forms must be submitted if more than three dates are required.

Action by the District Valuers Services

P1.484 When the District Valuers Services have valued the property, the valuer will

- complete the appropriate part(s) of form LA2. If the property is
 - owned by one beneficial owner (wholly owned properties), valuer completes page 2
 - jointly owned property, valuer completes pages 3, 4 and 5, deleting sections A-J as necessary
- give their opinion of
 - the open market value of the property
 - the value of the claimant's share of the property, assuming the property was sold whole and the proceeds split amongst the owners. If this value is
 - ~ nil, the valuer is not required to give an opinion of the value of the deemed share
 - ~ greater than nil, the valuer will give their opinion of the value of the deemed share if only that share was sold on the open market

P1.485 The District Valuers Service

- provides follow-up reports if requested. If a claimant disputes a valuation and the matter is referred to an appeal tribunal or a court hearing, a follow-up report should always be obtained. Disputed valuations should not progress as far as an appeal tribunal or a court hearing based on the valuation advice contained in form LA2 alone
- does not deal with enquiries from the general public or foreign property valuations (this includes Northern Ireland which is classed as foreign for contract purposes). For calculation of capital assets held abroad see *Capital assets held abroad* earlier in this chapter

P1.486 If you receive an invoice from the District Valuers Services, send it to

Benefit Delivery Specialist Operations Team
Room 3S25
Quarry House
Quarry Hill
Leeds LS2 7UA

P1.487-P1.489

Claimant disputes the valuation

P1.490 If the claimant disputes the valuation

- never tell the claimant to contact the District Valuers Services direct or refer the dispute to the District Valuers Services
- check with the claimant
 - why they are querying the valuation
 - that they have provided all the information about the property. If the claimant
 - ~ supplies new information, you should request another valuation from the District Valuers Services
 - ~ has already supplied all the information and the property is wholly owned, you should request a follow-up report from the valuer. This is a written report justifying the valuation figure
 - ~ has already supplied all the information and the property is jointly owned, there are no follow-up reports for these cases. The original information provided by the District Valuers Services provides all the necessary information

The follow-up report for wholly owned properties, or the original report for jointly owned properties can be referred to at appeal hearings

- tell the claimant to seek a review or appeal of the benefit decision. The claimant should contact the decision maker about this, not the District Valuers Services

In very exceptional circumstances the valuer may have to attend an appeal hearing.

Jointly owned property

Joint tenancy

P1.491 When a claimant jointly owns a property with others and the joint ownership arrangement is a joint tenancy, obtain the claimant's share by dividing the total value of the asset by the number of joint owners. The resulting figure is treated as the claimant's capital resource.

continued

(P1.491)-P1.512

(P1.491)

Example

If three joint tenants own a house in equal proportions treat each as possessing one third of the value of the house.

Tenants in common

P1.492 When a claimant jointly owns a property with others and the joint ownership arrangement is a tenancy in common, the value of the share is the actual share that each owns. The resulting figure is treated as the claimant's capital resource.

Example

If three tenants in common own a house in the proportions X = 50%, Y = 25%, Z = 25%, treat each as possessing the actual share which they own.

P1.493 When you receive the District Valuers Services' valuation of a jointly owned property

- do **not** deduct any debts secured on the property, such as a mortgage, from the valuation provided as the District Valuers Services will have already deducted these from the value of the property
- deduct the 10% for expenses connected with selling the property, if there would be expenses on selling

P1.494-P1.509

Stocks and shares

P1.510 The term stocks and shares refers to marketable holdings, for example in

- the ownership of a company, or
- government or LA bonds, such as war bonds, or
- a loan made to a company on which interest is paid by the company at a fixed rate until the principal is repaid (these are called 'debenture' loans)

P1.511 Treat the

- value of the bond as capital
- interest generated by the bond as income from a capital asset

P1.512 The value of stocks and shares may bear little resemblance to their face value. For the purposes of calculating benefit entitlement, you must establish the market value. Before deciding whether a precise valuation is necessary, it is useful to obtain an approximate market value.

continued

(P1.512)

Example 1

A claimant owns 200 shares with a nominal (or par) value of 25p each, but they have market value of £35 each. Total capital value £7,000.

Example 2

A claimant owns 10,000 shares of a nominal (or par) value of £1 each but their market value is 12 pence each. Total capital value £1,200.

P1.513 Your valuation should relate to the value on the date the claim for benefit is made, or treated as made, and be based on relevant information, such as the Stock Market pages in a national newspaper. Use the 'bid' column price, if quoted, or the daily price figure, for example for Treasury bonds. The flat rate allowance of 10% should be deducted for selling costs. *Annex F* at the end of this chapter gives examples for 'valuing' government stocks.

P1.514-P1.529

Unit trust holdings

P1.530 Unit trust holdings are valued on the basis of the bid price which is quoted in the newspapers. There are no additional expenses of sale in selling a holding in a unit trust because the bid price quoted takes account of all selling expenses, commissions etc. Do **not** deduct the standard 10% for selling costs.

P1.531 It is possible to incur additional expenses of sale if a unit trust is sold through a bank or stockbroker. But since it is not necessary to sell them this way to get the full price, ignore any additional expenses of this kind. A claimant need only send the unit trust certificate to the managers of the fund who will forward a remittance for the value of the holding.

P1.532-P1.559

Particular forms of capital

Chose in action

P1.560 Chose in action means 'a thing that can be sued for' and is an actual capital resource. It exists when there is an entitlement to receive a sum of capital at a future date, for example a debt, an outstanding claim for compensation or an interest in an unadministered estate.

P1.561 If the payment, or repayment, of that capital sum is not made in the agreed manner or at the proper time, there is a right to sue in a court of law. That right to receive the resource, and with it the right to sue, can be sold to another party. It therefore has a market value which should be taken into account.

P1.562 In Scotland Chose in action is called 'Action of Accounting' or 'Action for Payment'.

P1.563-P1.579

P1.580-P1.619

Court of Protection

- P1.580 The Court of Protection is an office of the High Court, rather than a court in its accepted sense. It is responsible for the management and protection of property belonging to people, including children, who lack the mental capacity to manage their own affairs.
- P1.581 A judge of the Court may appoint a 'deputy' to manage the property and affairs of a person for whom the Court is responsible. The MoJ selects a regulated banker to hold the money in the name of the beneficiary. The banker needs a court order before being able to release the money to the beneficiary. Any funds held for a member of the family by the Court of Protection, or by a deputy appointed by the Court, should be treated as capital belonging to that member of the family.
- P1.582 Funds held in a trust set up by the Court of Protection are an actual capital asset of the beneficiary.

Note: From 2 October 2006, treat these payments as disregarded income, see *BW2* or *BP2 Assessment of income* later in this part.

P1.583-P1.599

Fixed term investments

- P1.600 These are investments, for example in building societies, local authorities, which are for a fixed period and for that reason produce a higher rate of interest.
- P1.601 Building societies will usually arrange to release money before the end of the fixed term if a person claims hardship. Take such investments into account at their face value unless there is evidence that the current surrender value is different.
- P1.602 When a claimant provides evidence that a fixed term investment cannot be realised until the completion of the fixed term, the value of that investment will depend on whether the agreement under which the investment was made allows it to be assigned to a third party.
- P1.603 If an investment can be assigned to a third party, which it usually can, it has a market value which should be taken into account. If restrictions prevent its assignment its market value is NIL.

P1.604-P1.619

Friendly Societies – personal deposit accounts

- P1.620 Contributors to Friendly Societies may make deposits to build up personal accounts from which payments may be made to them, in addition to the Society's usual sick pay, during illness.
- P1.621 Treat savings in a Friendly Society deposit account as capital. Any payments received from that account are withdrawals of capital and do not constitute income, even if paid regularly. However, the payments will reduce the value of the account.

P1.622-P1.639

Interest in an unadministered estate

- P1.640 When a member of the family has an interest in an unadministered estate, that interest is a chose in action and should be valued as such, see *Chose in action* earlier in this chapter.

Lump sum compensation payments

- P1.641 Treat lump sum compensation payments as capital. Examples are lump sum payments
- of death benefit under the Pneumoconiosis, Byssinosis and Miscellaneous Diseases Benefit Scheme
 - under the Coal Board's (or British Coal's) Pneumoconiosis Compensation Scheme
 - made by the Criminal Injuries Compensation Board
 - at common law for injury or death (including vaccine damage payments)
 - of damages under the Fatal Accidents Act paid for the death of a child's father or to a woman for the death of her partner

Remember, disregard the value of any compensation payment for personal injury which is held in trust, the value of the right to receive any payment under that trust or any payment held by a regulated banker selected by the Department for Constitutional Affairs (DCA). See *Disregarded capital* earlier in this chapter.

Matrimonial assets on breakdown of marriage

- P1.642 A separated or divorced person may have a beneficial interest in any property of the marriage, such as the former matrimonial home or a joint building society account, see *Ownership of capital* earlier in this chapter.
- P1.643 If the property in question is jointly owned and does not fall to be disregarded, the value of that interest should be calculated in the normal way, see *Disregarded capital* and *Jointly owned capital* earlier in this chapter.

P1.644-P1.679

- P1.644 If all of the person's beneficial interest in the property is legally contested, assume a nil value until the question of ownership is settled.

Example 1

The claimant's former partner occupies the former matrimonial home. The home was jointly owned by the former partner and the claimant, who now lives in rented accommodation with their two children. Both parties are taking legal action to obtain sole ownership of the property.

The claimant could eventually own the whole, part or none of the property. Until the question of beneficial ownership is resolved treat the claimant's interest as nil.

Example 2

The claimant's former partner occupies the former matrimonial home, having evicted the claimant and their three children. The home was jointly owned by the claimant and former partner.

The former partner has taken legal action to obtain ownership of the whole property, and acknowledges that the claimant has a half interest in the property but is legally contesting the claim to the other half.

At the time of the claim, the claimant has an uncontested joint beneficial interest in the property, the extent of that interest, whether 5%, 50% or 95%, is not relevant, and therefore the claimant's share should be calculated by dividing the total value of the property by two, that is the number of joint owners, see *Jointly owned property* earlier in this chapter.

Disregard the value of the claimant's share in the property for 26 weeks from the date the claimant left the property, see *Capital assets disregarded for 26 weeks* earlier in this chapter.

At the end of this period you may need to consider whether other disregards may be appropriate.

P1.645-P1.659

Payments under an annuity

- P1.660 Any payment received by the claimant under an annuity should be treated as income.

HB(SPC) Reg 29; CTB(SPC) Reg 19

P1.661-P1.679

Notional capital

P1.680 A person may be treated as possessing a capital asset even though they do not actually have that capital asset. Such assets are called notional capital. Examples of these are

HB(SPC) Reg 49; CTB(SPC) Reg 39

- a trust fund, see *Trust fund* earlier in this chapter
- the deliberate disposal of capital for the purpose of claiming or getting an increase in the amount of benefit. In these cases authorities can treat the claimant as still having the capital, see *Deprivation of capital* later in this chapter
- in certain cases, payments of capital to third parties, see *BP2 Payments to, or in respect of, a third party* later in this part

P1.681-P1.699

Deprivation of capital

P1.700 Treat a claimant as possessing notional capital if they have deprived themselves of the capital for the purpose of receiving or getting an increase in HB and/or CTB.

HB(SPC) Reg 49 & 50; CTB(SPC) Reg 39 & 40

P1.701 The intention to deprive applies to each benefit, see *General issues on deprivation* later in this chapter.

Example

Two weeks before claiming benefit, a claimant who was aware of the capital rules gave her brother £10,000 of her capital of £21,000.

The remaining £11,000 affects entitlement in that a tariff income will arise from this amount, while the original amount of £21,000 would have automatically disentitled the claimant.

In these circumstances the claimant could be treated as possessing the £10,000 in addition to the £11,000 she actually holds.

Identifying deprivation

P1.702 You will most likely identify potential deprivation of capital when examining a change of circumstances or a repeat claim. For example, when entitlement has been refused because the claimant's capital exceeded £16,000 and a repeat claim is made soon afterwards when capital of less than £16,000 is declared.

P1.703-P1.712

P1.703 A claimant should still be regarded as having deprived themselves of a capital resource if they have disposed themselves of it by way of a gift to a third party. However, they should not be regarded as depriving themselves of it if they did it to

HB(SPC) Reg 47; CTB(SPC) Reg 37

- reduce or pay off a debt they owe
- purchase goods or services the Decision Maker considers reasonable, given their circumstances, eg
 - payments to reduce/pay off a debt, eg paying a credit card account or mortgage early
 - for day to day expenses
 - to improve their quality of life, eg buying a new kitchen or car
 - for medical treatment
 - for home repairs
 - for a holiday

P1.704-P1.709

Deciding if claimant formerly owned the capital

P1.710 You must decide on the basis of whatever evidence is available whether the claimant formerly owned the capital. If the facts are in dispute, examples of evidence of former ownership might be shown by

- a will bequeathing a specific sum to the claimant
- a bank book or statement, or
- a verified statement in an earlier claim

Burden of proof

P1.711 The burden of proving that a claimant no longer has a resource rests with the claimant, because it is for them to establish title to benefit. Evidence of the disposal of capital would include

- a trust deed
- a deed of gift
- receipts for all the expenditure, or
- proof that debts had been repaid

P1.712 If a claimant is unable to produce satisfactory evidence that they have disposed of a capital asset, you may conclude that they still possess the actual capital asset. The amount disposed of must be treated as notional capital, and added to any other capital that the claimant has.

- P1.713 If the total of the notional capital plus actual capital is between £10,000 and £16,000, calculate tariff income. If the total of notional and actual capital exceeds £16,000, the claimant is not entitled to HB.
- P1.714 The following are further examples of when a person **may** have deprived themselves of capital
- a lump sum payment has been made to someone else, for example as a gift, or to repay a debt, but see *Reason for disposing of capital asset* later in this chapter
 - substantial expenditure has been incurred on a non-essential item, for example on an expensive holiday
 - title deeds of a property, which is not the claimant's home or will soon cease to be so because, for example, they will be moving elsewhere, have been transferred to someone else
 - money has been put into a trust which cannot be revoked
 - money has been converted into another form which would fall to be disregarded, for example personal possessions
 - capital has been reduced by extravagant living, for example gambling, or used to provide a much higher standard of living than the claimant usually maintained

P1.715-P1.729

Reason for disposing of capital asset

- P1.730 There may be reasons for disposing of a capital asset other than to receive or get an increase in the amount of HB. Securing entitlement to benefit need not be a person's main motive but it must be a significant one if you are to treat them as having notional capital. For example, if a claimant gave their son or daughter money to prevent their home being repossessed, the main reason would be to help the child, not secure or increase entitlement to HB/CTB.
- P1.731 To decide whether securing entitlement to benefit was a significant purpose, you must establish whether the claimant has exercised choice when disposing of the resource. If claimants do no more than satisfy their need for one of the necessities of life, they have not exercised a real choice in the transaction.
- P1.732 When capital has been used to repay a debt give careful consideration as to whether the debt needed to be repaid at that time. If there was no legal obligation to do so then it may be that part of the claimant's purpose was to obtain or increase the amount of benefit.

P1.733-P1.739

P1.740-P1.759

Knowledge of the capital limit

- P1.740 Claimants cannot be held to have deprived themselves for the purposes of securing benefit or an increase in benefit if they did not know the resource would affect entitlement to benefit.
- P1.741 The LA must show that on the balance of probabilities, the claimant knew, at least in broad terms, that
- HB and CTB are income-related benefits, and
 - there must be a capital limit above which benefit is not payable
- P1.742 It may be considered common knowledge that such a limit exists, but the LA must consider the claimant's educational standing, history of claiming and information sent by way of official forms and leaflets before making a finding of fact on the matter.
- P1.743 Claimants are unlikely to admit that securing benefit was a significant reason behind their actions. Therefore conclusions must be drawn about the claimant's purpose from the reasons given and from all the other circumstances of the case.
- P1.744 It is not sufficient to conclude that a significant purpose must have been to secure benefit solely because entitlement was a foreseeable or natural outcome of the deprivation. It is necessary to look at all the circumstances and decide what motivated a claimant to exercise choice in that way.
- P1.745 Extravagance or imprudence do not of themselves establish that the deprivation was for the purpose of securing or increasing the amount of benefit. It is evidence pointing in that direction, but all the circumstances of the case must be considered.
- P1.746 The timing of the deprivation in relation to the benefit claim may give an indication of whether or not securing benefit was a significant purpose behind the deprivation.
- P1.747 Similarly claimants' explanations of how they intended to pay their rent and council tax following the deprivation may help in making a finding of fact.

P1.748-P1.759

Diminishing notional capital

HB(SPC) Reg 48; CTB(SPC) Reg 38

- P1.760 When an LA has decided that a claimant has deliberately disposed of capital to receive, or get an increase in the amount of, HB and/or CTB, the amount disposed of must be treated as notional capital, and added to any other capital the claimant has.
- P1.761 Calculate the amount of HB and/or CTB payable using
- **actual** capital held, if any
 - **total** capital, that is any **actual** capital held plus the **notional** capital
- P1.762 The calculation is always based on full weekly HB/CTB entitlement. Convert a part-week payment made if rent liability starts within a benefit week to a full weekly payment, see *A5 Monthly rents, Method 2* earlier in this manual for more information.
- P1.763 The week in which the claimant is held to have notional capital which affects the amount of HB payable, or results in entitlement to HB/CTB, is called the relevant week. **Note:** In CTB the relevant week can be a part week.
- P1.764 The next step in the procedure depends on whether the claimant has any benefit entitlement when notional capital is taken into account.

Claimant still entitled to HB/CTB

- P1.765 If the claimant is still entitled to HB/CTB after all notional capital has been taken into account, the decision notice should tell the claimant
- their HB/CTB award has been reduced because of deprivation, and
 - the amount by which HB/CTB has been reduced on a weekly basis
- P1.766 Using the HB amounts payable based on **actual** capital held and **notional** capital held, calculate the difference between the two. This is the HB *lost* because of deprivation.
- P1.767 Confirm with CTB colleagues whether any CTB has also been *lost* because of deprivation and if it has, add that sum to the HB *lost*. Similarly if a claimant can show they have *lost* some other benefit, that is IS, JSA(IB), ESA(IR) or Pension Credit, because of deprivation, these amounts should be added to the amount of HB/CTB *lost*. **The onus is on the claimant** to provide this information, by means of the decision notices issued showing the amount of IS, JSA(IB), ESA(IR) or Pension Credit that has been lost. **Note:** The reference to JSA(IB) applies to pensioner cases because there could be cases where a claim for JSA(IB) would have been unsuccessful due to a deprivation of capital decision. In such cases, as the claimant would not be in receipt of JSA(IB), the HB/CTB claim would have to be dealt with under SI 2003/325.
- P1.768 Deduct this total amount, on a weekly basis, from the notional capital.

P1.769-P1.784

- P1.769 Whenever these weekly deductions have accumulated sufficiently to take the total of actual and notional capital through a tariff income band, that is a block of £250/£500, a new calculation of HB/CTB is required.
- P1.770 There will then be a reduction in weekly tariff income of £1 and an increase in the amount of HB/CTB payable to the claimant. Compare this new amount of HB actually paid with the amount the claimant would have got on the basis of their actual capital. The difference between these two amounts forms the new amount of HB/CTB *lost*, and is added to any new amount of DPTC, IS, JSA(IB), ESA(IR) or Pension Credit or *lost*, if applicable. This total amount of *lost* benefit forms the new sum to be deducted from the notional capital.
- P1.771 This process is repeated until
- the claimant's actual and notional capital totals less than £10,000 (including people permanently resident in a care home), or
 - the notional capital is eroded, or
 - there is a change in the claimant's circumstances which affects the calculation of their HB/CTB

P1.772-P1.774

Claimant is not entitled to HB/CTB when notional capital is applied

- P1.775 If the claimant is not entitled to HB and/or CTB following a notional capital calculation, the disallowance notification to the claimant should state the
- reason for the disallowance
 - weekly amount they would have received had they not been held to have deprived themselves of capital
- P1.776 HB assessors should check with CTB colleagues about the CTB position. If the claimant has also lost some CTB because of the application of the deprivation rule, the weekly amount of CTB *lost* should be added to the weekly amount of HB *lost*. Similarly, CTB assessors should check with HB colleagues and add weekly HB *lost* to the weekly CTB *lost*.
- P1.777 Add to this figure any IS, JSA(IB), ESA(IR) or Pension Credit *lost* because of deprivation.
- P1.778 The total of these lost benefits becomes the weekly amount by which notional capital is reduced for HB and/or CTB and remains at this level for 26 weeks. A new calculation is done after 26 weeks (from week 27).
- P1.779 Include the amount of the weekly reduction being applied to the notional capital with the information the claimant is given with their disallowance notice.
- P1.780 When there is no entitlement to HB/CTB, there is no need to enter into continuing assessments. However, a record should be kept of these cases in case the claimant reapplies for HB and/or CTB.

P1.781-P1.784

Claimant reapplies for HB and/or CTB

- P1.785 If the claimant reapplies for HB and/or CTB, check the amount of declared capital. It may well be different from the amount declared on the original claim on which the deprivation question was decided.
- P1.786 It is acceptable that the claimant may have drawn on their capital to cover at least the HB and CTB they have not received. However, if the new amount of capital declared is substantially lower, authorities should investigate the reasons, and decide whether the claimant has deprived themselves of more capital.
- P1.787 If you accept the new capital figure, the action taken depends on whether the claimant reapplies
- 26 weeks or more after date of original decision, or
 - less than 26 weeks after date of original decision

Claimant reapplies 26 weeks or more after date of deprivation decision

- P1.788 The notional capital on the earlier assessment must be reduced. To get this figure
- multiply the amount of the weekly reduction of HB/CTB by the number of weeks since the LA decided that the claimant deprived themselves of capital
 - deduct this figure from the original notional capital. This gives the new notional capital figure to be used
- P1.789 Add the new notional capital to the actual capital, if any, declared on the reapplication.
- P1.790 Calculate the amount of HB and/or CTB payable using
- **actual** capital now held, if any
 - **total** capital, that is any actual capital held and the new **notional** capital
- P1.791-P1.794

Claimant reapplies less than 26 weeks after date of deprivation decision***Change in claimant's circumstances***

- P1.795 If a claimant reapplies less than 26 weeks after the date of the deprivation decision and circumstances **other** than capital have changed, such as the claimant as married, or a baby has been born, reassess HB and/or CTB on the basis of the new circumstances.
- P1.796 Calculate the amount of benefit payable using
- **actual** capital now held, if any
 - **total** capital, that is any actual capital held and the new **notional** capital

P1.797-P1.805

- P1.797 The notional capital on the earlier assessment must be redetermined. To get this figure
- multiply the amount of the weekly reduction of HB/CTB by the number of weeks since the LA decided that the claimant deprived themselves of capital
 - deduct this figure from the original notional capital
- This will give the new notional capital figure to be used.

- P1.798 The next step in the procedure depends on whether the claimant has any benefit entitlement when the new notional capital is taken into account, see *Claimant becomes entitled to HB and/or CTB* or *Claimant still not entitled to HB and/or CTB* later in this chapter.

No change in claimant's circumstances

- P1.799 If the claimant reapplies less than 26 weeks after the date of the deprivation decision and there are no changes in their circumstances, keep the rate of weekly deductions at the original level.
- P1.800 The notional capital of the earlier assessment is reduced by multiplying the original weekly reduction of HB/CTB by the number of weeks since the earlier decision.
- P1.801 The next step in the procedure depends on whether the claimant has any benefit entitlement when the new notional capital is taken into account, see *Claimant becomes entitled to HB and/or CTB* or *Claimant still not entitled to HB and/or CTB* later in this chapter.

Claimant becomes entitled to HB and/or CTB

- P1.802 If the claimant is now entitled to HB and/or CTB
- 1 put the relevant benefit into payment, see *A6 Deciding and paying benefit*, and
 - 2 reduce notional capital by the weekly total of HB and/or CTB lost.

Claimant still not entitled to HB and/or CTB

- P1.803 If the claimant is still not entitled to HB and/or CTB the latest amount calculated is the new amount of the assessed benefit lost. Add to this the amount, if any, of the other LA administered benefit also lost, plus any IS, JSA or ESA(IR) lost. These amounts may also have been revised as a result of a recalculation of notional capital in that other benefit assessment.
- P1.804 Compare this new total benefit lost figure with that already being used. If the new benefit lost figure is
- **greater** than the earlier calculation, this higher amount becomes the new weekly amount by which notional capital is reduced, or
 - **less** than the earlier calculation, the weekly amount by which notional capital is reduced remains current
- P1.805 The effect is to make sure that the weekly reduction in notional capital for benefit lost can be increased as a result of reassessment **but it is never to be decreased**.

P1.806 The claimant should be informed of the new nil decision and of any increase in the weekly amount by which their notional capital is reduced. Separate notifications should be made for HB and CTB.

P1.807 The process of considering entitlement to HB and/or CTB is repeated, see *Claimant still not entitled to HB and/or CTB* earlier in this chapter.

P1.808-P1.829

Pension Credit claimants affected by deprivation

P1.830 Pension Credit Regulations state that if a decision has been made that a claimant has disposed of capital to receive Pension Credit, or get an increase in Pension Credit, the notional capital should be reduced by the sum of the lost amounts, if any, of

- Pension Credit
- HB
- CTB

Person entitled to guarantee credit

P1.831 If, despite notional capital being applied, a claimant remains entitled to guarantee credit, they continue to received linked entitlement to maximum HB/CTB.

P1.832 It is not necessary to make an HB/CTB deprivation assessment while entitlement to guarantee credit remains.

Guarantee credit cases

P1.833 A Pension Credit deprivation decision may take the claimant

- off guarantee credit and on to savings credit only
- completely off Pension Credit

P1.834 In these cases, The Pension Service will reduce the notional capital by the amount of the lost benefits. It will know the amount of Pension Credit lost, but will need to know how much HB and/or CTB has been lost because notional capital has been applied.

P1.835 For this group of claimants, the loss is the difference between the HB and CTB

- actually in payment, if any, and
- that the claimant would have received if only actual capital had been taken into account, ie in these cases, linked entitlement to maximum HB/CTB

P1.836-P1.889

Pension Credit (savings credit) only cases

- P1.836 It is possible the Pension Credit deprivation decision could
- reduce the amount of the Pension Credit (savings credit) in payment due to assumed income from capital affecting the tapers applied to the maximum savings credit
 - take the claimant from receipt of savings credit only to completely of Pension Credit
- P1.837 In the cases, The Pension Service will reduce the notional capital by the amount of the lost benefits. It will know the amount of Pension Credit lost, but will need to know how much HB and/or CTB has been lost because notional capital has been applied.
- P1.838 For this group of claimants, the loss is the difference between the HB and CTB
- actually in payment, if any, and
 - that the claimant would have received if only actual capital had been taken into account, ie in these cases, linked entitlement to maximum HB/CTB

P1.839-P1.869

General issues on deprivation

- P1.870 It is possible that IS, JSA(IB), ESA(IR), Pension Credit, HB and CTB may reach a different decision about whether a claimant has disposed of capital to receive benefit or a higher rate of benefit. It is also possible that the capital amount the claimant is deemed to have disposed of may be different in each benefit.
- P1.871 These potentially different decisions and/or amounts arise from the fact that the deprivation regulations for each benefit have to focus on the fact that the deprivation has to have as a motive, not necessarily the only motive, the intention to get that particular benefit or more of it.
- P1.872 The regulations aim to help authorities and social security offices reach a reasonable figure by which the notional deprived capital can be reduced over time.
- P1.873 When treating a claimant as having a notional capital resource, you must ensure the resource is not counted twice, for example by counting the value of personal possessions **and** the amount the claimant is treated as having deprived themselves of by purchasing the items. Do not treat a notional resource as possessed for all time. For information about taking the value of personal possessions into account, see *Disposal of capital to buy personal possessions* below.

P1.874-P1.889

Disposing of capital to buy personal possessions

- P1.890 If, for the purpose of obtaining benefit or more benefit, capital that would not have been disregarded has been used to acquire personal possessions, the current market value of those possessions should be taken into account as an actual resource. Their market value should **not** be disregarded under paragraph 12 of HB Schedule 6 or paragraph 8 of HB(SPC) schedule 6 (Paragraph 12 of CTB Schedule 5).

P1.891-P1.929

Deprivation of jointly owned capital

- P1.930 If, for the purposes of securing benefit or an increase in benefit, a claimant has disposed of capital which was jointly owned, special rules apply. Treat the claimant as having disposed of any part of which they were the beneficial owner.
- P1.931 If, as a joint owner, the claimant was treated as possessing more capital than they owned beneficially, disregard any excess over the actual capital they possessed when deciding whether deprivation had occurred.

Example 1

A claimant owned £10,000 of a joint bank account totalling £40,000 with one other person. A claim for benefit was refused because she was treated as having capital of £20,000. The claimant arranged for the joint account to be closed and invested her £10,000 in a building society.

She made a further claim which was accepted because her capital of £10,000 did not exceed the prescribed limit and she was not treated as depriving herself of a resource.

Example 2

Mr L owned a 75% share in a piece of land worth £40,000. There were two other owners. Believing that his £30,000 investment would preclude entitlement to benefit he gave his share of the land to his son. He then claimed benefit.

He was treated as having notional capital of £27,000, that is three quarters of £40,000 less 10% for selling costs.

Example 3

Mrs Y owned a 25% share in a piece of land worth £40,000. There were two other owners. Believing that her £10,000 investment would reduce the amount of benefit she would get, she gave her share of the land to her daughter. She then claimed benefit.

A notional capital calculation would show a figure of £12,000, that is one third of £40,000 less 10% for selling costs. However, as this is more than she beneficially owns, she is deemed to have notional capital of £9,000 that is one quarter of £40,000 less 10% for selling costs.

P1.932-P1.999

Definitions used in this chapter

Definition of relative

- A1.00 A relative is defined as a relative of a single claimant, or if the claimant has a partner, a relative of any member of the family who is a

HB Reg 2

- | | |
|-------------------|--------------------------------|
| a parent | j brother |
| b parent-in-law | k sister |
| c son | l grandparent |
| d son-in-law | m grandchild |
| e daughter | n uncle |
| f daughter-in-law | o aunt |
| g step-parent | p nephew |
| h step-son | q niece |
| i step-daughter | r the spouse of any of a to k. |

Definition of incapacitated

- A1.01 The term incapacitated is not defined in the regulations. It would be reasonable to conclude that a relative or partner is incapacitated if one of the following conditions apply
- a the person is receiving one (or more) of the following benefits
 - Incapacity Benefit (IB)
 - Severe Disablement Allowance (SDA)
 - Disability Living Allowance (DLA)
 - Constant Attendance Allowance (CAA), Attendance Allowance (AA), or a benefit analogous to any of these, or
 - b the person has not qualified for one of the benefits at a but the degree of incapacity is equivalent to that required to qualify for any one of these benefits. It may be that issues of age and incapacity inter-relate. Medical or other relevant evidence may be needed to enable the local authority to make a decision

Tariff income assumed from capital

- 1 This annex takes account of the changes brought in by the introduction of Pension Credit in October 2003.
- 2 Two new columns have been added, to show the assumed income from capital in Pension Credit cases, and the amount of assumed income in cases where the claimant is permanently resident in a Care Home.
- 3 The lower capital limit for income-related benefits increased from £3,000 to £6,000 with effect from 1 April 2006 in respect of people aged under 60 years.
- 4 The lower capital limit for income-related benefits increased from £6,000 to £10,000 with effect from November 2009 in respect of people who have reached the qualifying age for Pension Credit.

Value of capital		Weekly tariff income		Weekly tariff income in HB for certain people in residential accommodation	
between	and	Working age	Pensioners	Working age	Pensioners
£	£	£	£	£	£
0.00	6,000.00	0	0	0	0
6,000.01	6,250.00	1	0	0	0
6,250.01	6,500.00	2	0	0	0
6,500.01	6,750.00	3	0	0	0
6,750.01	7,000.00	4	0	0	0
7,000.01	7,250.00	5	0	0	0
7,250.01	7,500.00	6	0	0	0
7,500.01	7,750.00	7	0	0	0
7,750.01	8,000.00	8	0	0	0
8,000.01	8,250.00	9	0	0	0
8,250.01	8,500.00	10	0	0	0
8,500.01	8,750.00	11	0	0	0
8,750.01	9,000.00	12	0	0	0
9,000.01	9,250.00	13	0	0	0
9,250.01	9,500.00	14	0	0	0
9,500.01	9,750.00	15	0	0	0
9,750.01	10,000.00	16	0	0	0
10,000.01	10,250.00	17	1	1	1
10,250.01	10,500.00	18	1	2	1
10,500.01	10,750.00	19	2	3	2
10,750.01	11,000.00	20	2	4	2
11,000.01	11,250.00	21	3	5	3
11,250.01	11,500.00	22	3	6	3
11,500.01	11,750.00	23	4	7	4

continued

HB/CTB Guidance Manual

Annex B

Value of capital between and		Weekly tariff income		Weekly tariff income in HB for certain people in residential accommodation	
		Working age	Pensioners	Working age	Pensioners
£	£	£	£	£	£
11,750.01	12,000.00	24	4	8	4
12,000.00	12,250.00	25	5	9	5
12,250.01	12,500.00	26	5	10	5
12,500.01	12,750.00	27	6	11	6
12,750.01	13,000.00	28	6	12	6
13,000.01	13,250.00	29	7	13	7
13,250.01	13,500.00	30	7	14	7
13,500.01	13,750.00	31	8	15	8
13,750.01	14,000.00	32	8	16	8
14,000.01	14,250.00	33	9	17	9
14,250.01	14,500.00	34	9	18	9
14,500.01	14,750.00	35	10	19	10
14,750.01	15,000.00	36	10	20	10
15,000.01	15,250.00	37	11	21	11
15,250.01	15,500.00	38	11	22	11
15,500.01	15,750.00	39	12	23	12
15,750.01	16,000.00	40	12	24	12

Table for valuing 5-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of Issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Aug 02	01 Jul 03	01 Jul 04	01 Jul 05
1st 15s.6d.	19 Feb 16 - 31 Mar 22	£4.51	£4.56	£4.61	£4.66	£4.71	£4.76	£4.82	£4.86	£4.91	£4.96
2nd 16s	01 Apr 22 - 29 Sep 23	£4.44	£4.49	£4.54	£4.59	£4.64	£4.69	£4.74	£4.79	£4.84	£4.89
3rd 16s	01 Oct 23 - 30 Jun 32	£3.75	£3.80	£3.85	£3.90	£3.95	£4.00	£4.05	£4.10	£4.15	£4.20
Conversion 16s	18 Jan 32 - 23 May 32	£3.75	£3.80	£3.85	£3.90	£3.95	£4.00	£4.06	£4.10	£4.15	£4.20
4th 16s	02 Aug 32 - 31 May 33	£3.24	£3.28	£3.33	£3.37	£3.41	£3.45	£3.49	£3.53	£3.57	£3.62
5th 16s	01 Jun 33 - 28 Feb 35	£3.13	£3.17	£3.21	£3.25	£3.29	£3.34	£3.38	£3.42	£3.46	£3.50
6th 15s	01 Mar 35 - 21 Nov 39	£3.07	£3.13	£3.17	£3.23	£3.27	£3.33	£3.37	£3.43	£3.47	£3.55
7th 15s	22 Nov 39 - 31 Mar 47	£5.16	£5.35	£5.54	£5.72	£5.86	£6.04	£6.15	£6.24	£6.32	£6.46
£1 issue	11 Jan 43 - 31 Mar 47	£5.16	£5.35	£5.54	£5.72	£5.86	£6.04	£6.15	£6.24	£6.32	£6.46
8th 10s	01 Apr 47 - 31 Jan 51	£3.32	£3.44	£3.56	£3.68	£3.77	£3.88	£3.97	£4.01	£4.06	£4.14
9th 15s	01 Feb 51 - 31 Jul 56	£4.32	£4.47	£4.63	£4.79	£4.90	£5.05	£5.17	£5.23	£5.29	£5.39
10th 15s	01 Aug 56 - 12 Mar 63	£3.69	£3.82	£3.95	£4.09	£4.19	£4.32	£4.40	£4.46	£4.52	£4.62
11th £1	13 May 63 - 26 Mar 66	£4.81	£4.98	£5.15	£5.32	£5.46	£5.63	£5.73	£5.82	£5.87	£6.01

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Annex C

Table for valuing 5-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Aug 02	01 Jul 03	01 Jul 04	01 Jul 05
12th £1	28 Mar 66 - 03 Oct 70	£3.95	£4.09	£4.23	£4.38	£4.49	£4.63	£4.74	£4.78	£4.84	£4.94
Decimal £1	05 Oct 70 - 15 Jun 74	£3.67	£3.80	£3.93	£4.06	£4.16	£4.28	£4.36	£4.42	£4.48	£4.58
14th £1	17 Jun 74 - 11 Dec 76	£3.41	£3.53	£3.65	£3.77	£3.88	£3.99	£4.06	£4.12	£4.12	£4.26
14th Index-Linked £1	01 Apr 77 - 27 Jan 79	£2.88	£2.98	£3.08	£3.18	£3.26	£3.36	£3.45	£3.48	£3.52	£3.59
16th £5	13 Dec 76 - 31 Mar 77	£17.80	£18.43	£19.08	£19.68	£20.18	£20.78	£21.17	£21.48	£21.78	£22.21
Index-Linked Retirement £10	02 Jun 75 - 15 Nov 80	£28.20	£28.93	£30.15	£30.54	£31.48	£32.12	£32.49	£33.47	£34.38	£35.41
18th £10	29 Jan 79 - 02 Feb 80	£27.19	£28.14	£29.13	£30.10	£30.84	£31.77	£32.40	£32.87	£33.28	£33.95
19th £10	04 Feb 80 - 09 May 81	£26.64	£27.58	£28.55	£29.49	£30.22	£31.14	£31.75	£32.22	£32.63	£33.29
2nd Index-Linked £10	17 Nov 80 - 29 Jun 85	£19.28	£19.78	£20.61	£20.08	£21.52	£21.96	£22.22	£22.88	£23.51	£25.49
21st £10	11 May 81 - 07 Nov 81	£24.14	£24.98	£25.86	£26.71	£27.37	£28.20	£28.76	£29.18	£29.55	£30.14
23rd £25	09 Nov 81 - 10 Mar 82	£62.97	£65.18	£67.47	£69.62	£71.40	£73.54	£74.91	£75.99	£76.97	£78.57
24th £25	19 Apr 82 - 04 Nov 82	£55.77	£57.73	£59.75	£61.72	£63.25	£65.16	£66.44	£67.42	£68.27	£69.65

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Table for valuing 5-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Aug 02	01 Jul 03	01 Jul 04	01 Jul 05
25th £25	17 Nov 82 - 13 Aug 83	£50.04	£51.80	£53.62	£55.38	£56.75	£58.47	£59.62	£60.49	£61.53	£62.57
26th £25	15 Aug 83 - 19 Mar 84	£50.51	£52.28	£54.12	£55.85	£57.28	£58.99	£60.09	£60.97	£61.75	£63.03
27th £25	05 Apr 84 - 07 Aug 84	£47.12	£48.77	£50.48	£52.15	£53.45	£55.07	£56.15	£56.97	£57.70	£58.85
28th £25	08 Aug 84 - 11 Sep 84	£51.02	£52.80	£54.66	£56.41	£57.85	£59.58	£60.70	£61.57	£62.37	£63.66
29th £25	15 Oct 84 - 12 Feb 85	£47.59	£49.27	£50.99	£52.67	£53.98	£55.61	£56.70	£57.53	£58.26	£59.44
30th £25	13 Feb 85 - 09 Sep 85	£48.24	£49.93	£51.69	£53.34	£54.70	£56.33	£57.38	£58.22	£58.96	£60.18
3rd Index-Linked £25	01 Jul 85 - 31 Jul 86	£46.82	£48.19	£50.38	£51.43	£53.22	£54.41	£55.94	£57.53	£59.79	£61.41
31st £25	26 Sep 85 - 11 Nov 86	£43.40	£44.92	£46.50	£48.03	£49.22	£50.71	£51.71	£54.26	£53.13	£54.20
4th Index-Linked £25	01 Aug 86 - 30 Jun 90	£37.13	£38.22	£39.95	£40.79	£42.20	£43.16	£44.15	£45.62	£47.17	£48.71
32nd £25	12 Nov 86 - 10 Mar 87	£44.64	£46.20	£47.83	£49.35	£50.61	£52.12	£53.10	£53.86	£54.55	£55.69
33rd and 33rd Reinvestment £25	01 May 87 - 21 Jul 88	£38.60	£39.95	£41.36	£42.75	£43.79	£45.12	£46.23	£46.74	£47.32	£48.24
34th and 34th Reinvestment £25	22 Jul 88 - 16 Jun 90	£37.15	£38.45	£39.80	£41.07	£42.12	£43.38	£44.19	£44.83	£45.41	£46.35
35th and 35th Reinvestment £25	18 Jun 90 - 14 Mar 91	£39.71	£41.10	£42.54	£43.90	£45.02	£46.36	£47.23	£47.91	£48.53	£49.53

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Annex C

Table for valuing 5-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Aug 02	01 Jul 03	01 Jul 04	01 Jul 05
5 th Index-Linked 5 th Index-Linked Reinvestment £25	02 Jul 90 - 12 Nov 92	£28.34	£30.64	£36.14	£36.72	£37.81	£38.47	£39.16	£40.27	£41.45	£42.58
36 th and 36 th Reinvestment £25	02 Apr 91 - 02 May 92	£33.39	£37.59	£38.91	£40.19	£41.19	£42.44	£43.28	£43.91	£44.46	£45.35
37 th and 37 th Reinvestment £25	13 May 92 - 05 Aug 92	£32.38	£35.82	£37.71	£38.95	£39.92	£41.14	£41.95	£42.57	£43.10	£43.97
38 th £25	24 Aug 92 - 22 Sep 92	£31.84	£35.04	£36.83	£38.01	£38.99	£40.15	£40.91	£41.50	£42.03	£42.90
38 th Reinvestment £25	06 Aug 92 - 04 Oct 92	£31.21	£34.18	£36.52	£37.75	£38.67	£39.85	£40.83	£41.28	£42.03	£42.90
39 th and 39 th Reinvestment £100	05 Oct 92 - 12 Nov 92	£122.16	£132.72	£141.06	£145.71	£149.34	£153.87	£156.89	£159.19	£161.19	£164.44
40 th *£25	07 Dec 92 - 16 Dec 93	£27.92	£29.67	£31.85	£33.54	£34.39	35.41	£36.08	£36.60	£37.08	£37.85
40 th Reinvestment £25	13 Nov 92 - 16 Dec 93	£27.92	£29.67	£31.85	£33.54	£34.39	£35.41	£36.08	£36.60	£37.08	£37.85
6 th Index-Linked *£25	13 Nov 92 - 16 Dec 93	£28.20	£29.80	£32.52	£34.01	£35.02	£35.64	£36.28	£37.31	£38.40	£39.46
6 th Index-Linked Reinvestment £25		£28.20	£29.80	£32.52	£34.01	£35.02	£35.64	£36.28	£37.31	£38.40	£39.46
41 st and 41 st Reinvestment £25	17 Dec 93 - 19 Sep 94	£26.70	£28.05	£29.78	£31.95	£33.17	£34.16	£34.80	£35.30	£35.76	£36.50

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Table for valuing 5-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Aug 02	01 Jul 03	01 Jul 04	01 Jul 05
7 th Index-Linked	17 Dec 93 -	£27.16	£28.45	£30.52	£32.67	£34.12	£34.72	£35.34	£36.34	£149.62	£153.71
7 th Index-Linked Reinvestment £100	19 Sep 94	£27.16	£28.45	£30.52	£32.67	£34.12	£34.72	£35.34	£36.34	£149.62	£153.71
42 nd Reinvestment £100	20 Sep 94 -	£100.00	£105.20	£110.28	£116.70	£125.11	£133.85	£137.14	£138.65	£140.37	£143.11
42 nd Reinvestment £100	25 Jan 96	£101.00	£105.20	£110.28	£116.70	£125.11	£133.85	£137.14	£138.65	£140.37	£143.11
8 th Index-Linked	20 Sep 94 -	£100.00	£106.37	£112.86	£117.95	£126.92	£133.44	£135.83	£139.69	£143.78	£147.71
8 th Index-Linked Reinvestment £100	25 Jan 96	£102.39	£106.37	£112.86	£117.95	£126.92	£133.44	£135.83	£139.69	£143.78	£147.71
43 rd Reinvestment £100	26 Jan 96 -	£100.00	£100.00	£104.83	£109.41	£115.20	£122.77	£130.78	£134.86	£139.25	£144.05
43 rd Reinvestment £100	31 Mar 97	£100.94	£100.94	£104.83	£109.41	£115.20	£122.77	£130.78	£134.86	£139.25	£144.05
9 th Index-Linked	26 Jan 96 -	£100.00	£100.00	£106.65	£109.88	£115.64	£121.81	£129.31	£134.43	£140.35	£146.22
9 th Index-Linked Reinvestment £100	31 Mar 97	£102.29	£101.48	£106.65	£109.88	£115.64	£121.81	£129.31	£134.43	£140.35	£146.22
44 th Reinvestment £100	01 Apr 97 -	-	-	£100.00	£100.00	£104.83	£109.41	£115.20	£130.65	£134.21	£138.03
44 th Reinvestment £100	08 Jan 98	-	-	£100.94	£100.94	£104.83	£109.41	£115.20	£130.65	£134.21	£138.03
10 th Index-linked	01 Apr 97 -	-	£100.00	£100.00	£107.51	£112.79	£118.07	£126.78	£131.77	£137.47	£143.12
10 th Index-linked Reinvestment £100	24 Jul 97	-	£101.48	£104.55	£107.51	£112.79	£118.07	£126.78	£131.77	£137.47	£143.12
11 th Index-linked	25 Jul 97 -	-	-	£100.00	£105.13	£109.96	£114.61	£122.44	£130.24	£135.87	£140.98
11 th Index-linked Reinvestment £100	08 Jan 98	-	-	£102.32	£105.13	£109.96	£114.61	£122.44	£130.24	£135.87	£140.98

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Annex C

Table for valuing 5-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Aug 02	01 Jul 03	01 Jul 04	01 Jul 05
45th Reinvestment £100	09 Jan 98 - 26 Mar 98	-	-	£100.00 £100.00	£104.61 £100.90	£108.91 £108.91	£114.31 £114.31	£121.25 £121.25	£128.38 £128.38	£131.43 £131.43	£134.72 £134.72
12th Index-linked 12th Index-linked Reinvestment £100	09 Jan 98 - 26 Mar 98	-	-	£100.00 £100.00	£104.91 £102.19	£109.55 £109.55	£113.94 £113.94	£120.59 £120.59	£128.32 £128.32	£132.74 £132.74	£137.11 £137.11
46th Reinvestment £100	27 Mar 98 - 15 Oct 98	-	-	£100.00 £100.90	£100.00 £101.80	£105.57 £105.57	£109.90 £109.90	£116.65 £116.65	£122.26 £122.26	£128.10 £128.10	£131.55 £131.55
13th Index-Linked 13th Index-linked Reinvestment £100	27 Mar 98 - 15 Oct 98	-	-	£100.00 £102.19	£100.00 £101.58	£105.75 £105.75	£109.17 £109.17	£113.85 £113.85	£121.56 £121.56	£127.63 £127.63	£132.05 £132.05
47th Reinvestment £100	16 Oct 98 - 30 Dec 98	-	-	-	£100.00 £101.80	£105.54 £105.54	£109.63 £109.63	£114.13 £114.13	£119.08 £119.08	£123.50 £123.50	£127.26 £127.26
14th Index-Linked 14th Index-Linked Reinvestment £100	16 Oct 98 - 30 Dec 98	-	-	-	£100.00 £100.93	£105.07 £105.07	£108.36 £108.36	£112.58 £112.58	£119.13 £119.13	£125.55 £125.55	£130.09 £130.09
48th Reinvestment £100	31 Dec 98 - 02 Feb 99	-	-	-	£100.00 £100.80	£104.05 £104.05	£107.51 £107.51	£111.22 £111.22	£115.34 £115.34	£119.67 £119.67	£123.29 £123.29
15th Index-Linked 15th Index-Linked Reinvestment £100	31 Dec 98 - 07 Oct 99	-	-	-	£100.00 £100.00	£105.04 £103.45	£106.44 £106.44	£109.89 £109.89	£114.78 £114.78	£121.25 £121.25	£126.06 £126.06

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Table for valuing 5-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Aug 02	01 Jul 03	01 Jul 04	01 Jul 05
49th Reinvestment £100	03 Feb 99 - 18 Mar 99	- -	- -	- -	£100.00 £100.75	£103.80 £103.80	£107.04 £107.04	£110.50 £110.50	£114.24 £114.24	£118.17 £118.17	£121.51 £121.51
50th Reinvestment £100	19 Mar 99 - 19 May 99	- -	- -	- -	£100.00 £100.80	£104.05 £104.05	£106.61 £106.61	£110.23 £110.23	£114.20 £114.20	£118.78 £118.78	£122.17 £122.17
51st Reinvestment £100	20 May 99 - 13 July 99	- -	- -	- -	£100.00 £100.00	£103.20 £103.20	£105.93 £105.93	£110.55 £110.55	£113.66 £113.66	£118.40 £118.40	£122.56 £122.56
52nd Reinvestment £100	14 July 99 - 07 Oct 99	- -	- -	- -	- -	£100.00 £102.48	£105.36 £105.36	£110.20 £110.20	£113.39 £113.39	£118.19 £118.19	£122.64 £122.64
53rd Reinvestment £100	08 Oct 99 - 26 Jan 00	- -	- -	- -	- -	£100.00 £100.98	£104.94 £104.94	£110.33 £110.33	£113.83 £113.83	£119.02 £119.02	£124.26 £124.26
16th Index-Linked 16th Index-Linked Reinvestment £100	08 Oct 99 - 23 Feb 00	- -	- -	- -	- -	£100.00 £100.00	£105.16 £105.16	£108.74 £108.74	£113.56 £113.56	£119.75 £119.75	£125.20 £125.20
54th Reinvestment £100	27 Jan 00 - 22 Jun 00	- -	- -	- -	- -	£100.00 £100.00	£104.10 £104.10	£108.47 £108.47	£113.24 £113.24	£118.45 £118.45	£124.63 £124.63
17th Index-Linked 17th Index-Linked Reinvestment £100	24 Feb 00 - 04 Dec 00	- -	- -	- -	- -	£100.00 £102.14	£100.00 £101.57	£105.05 £105.05	£109.73 £109.73	£115.47 £115.47	£121.35 £121.35
55th Reinvestment £100	23 Jun 00 - 04 Dec 00	- -	- -	- -	- -	£100.00 £100.00	£100.00 £101.85	£105.70 £105.70	£109.87 £109.87	£114.46 £114.46	£119.71 £119.71

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Annex C

Table for valuing 5-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Aug 02	01 Jul 03	01 Jul 04	01 Jul 05
18 th Index-Linked 18 th Index-Linked Reinvestment £100	05 Dec 00 - 22 Jan 01	- -	- -	- -	- -	- -	£100.00 £101.12	£104.47 £104.47	£109.00 £109.00	£114.54 £114.54	£120.22 £120.22
56 th 56 th Reinvestment £100	05 Dec 00 - 22 Jan 01	- -	- -	- -	- -	- -	£100.00 £100.88	£105.36 £105.36	£108.22 £108.22	£112.28 £112.28	£116.77 £116.77
19 th Index-Linked 19 th Index-Linked Reinvestment £100	23 Jan 00 - 23 May 01	- -	- -	- -	- -	- -	£100.00 £100.61	£103.54 £103.54	£107.64 £107.64	£112.51 £112.51	£117.62 £117.62
57 th 57 th Reinvestment £100	23 Jan 01 - 23 May 01	- -	- -	- -	- -	- -	£100.00 £100.00	£103.25 £103.25	£106.71 £106.71	£110.39 £110.39	£114.42 £114.42
20 th Index-Linked 20 th Index-Linked Reinvestment £100	24 May 01 - 25 Oct 01	- -	- -	- -	- -	- -	£100.00 £100.63	£100.00 £102.20	£106.45 £106.45	£112.14 £112.14	£116.71 £116.71
58 th 58 th Reinvestment £100	24 May 01 - 18 July 01	- -	- -	- -	- -	- -	£100.00 £100.00	£103.40 £103.40	£106.11 £106.11	£109.91 £109.91	£114.03 £114.03
59 th 59 th Reinvestment £100	19 Jul 01 - 23 Aug 01	- -	- -	- -	- -	- -	- -	£100.00 £102.63	£106.29 £106.29	£110.20 £110.20	£114.45 £114.45
60 th 60 th Reinvestment £100	24 Aug 01 - 25 Oct 01	- -	- -	- -	- -	- -	- -	£100.00 £102.51	£105.13 £105.13	£108.81 £108.81	£112.79 £112.79
61 st 61 st Reinvestment £100	26 Oct 01 - 29 Nov 01	- -	- -	- -	- -	- -	- -	£100.00 £101.60	£104.90 £104.90	£108.42 £108.42	£112.21 £112.21

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Table for valuing 5-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Aug 02	01 Jul 03	01 Jul 04	01 Jul 05
21 st Index-linked 21 st Index-linked Reinvestment £100	26 Oct 01 - 29 Nov 01	- -	- -	- -	- -	- -	- -	£100.00 £101.65	£105.71 £105.71	£110.56 £110.56	£115.52 £115.52
62 nd 62 nd Reinvestment £100	30 Nov 01 - 24 Jan 02	- -	- -	- -	- -	- -	- -	£100.00 £101.45	£103.67 £103.67	£106.83 £106.83	£110.31 £110.31
22 nd Index-linked 22 st Index-linked Reinvestment £100	30 Nov 01 - 24 Jan 02	- -	- -	- -	- -	- -	- -	£100.00 £102.00	£105.87 £105.87	£110.34 £110.34	£114.81 £114.81
63 rd 63 rd Reinvestment £100	25 Jan 02 - 22 Aug 02	- -	- -	- -	- -	- -	- -	£100.00 £101.55	£100.00 £102.33	£105.57 £105.57	£109.11 £109.11
23 rd Index-linked 23 rd Index-linked Reinvestment £100	25 Jan 02 - 03 Oct 02	- -	- -	- -	- -	- -	- -	£100.00 £102.10	£100.00 £103.52	£107.98 £107.98	£112.36 £112.36
64 th 64 th Reinvestment £100	23 Aug 02 - 03 Oct 02	- -	- -	- -	- -	- -	- -	- -	£100.00 £101.38	£104.57 £104.57	£107.29 £107.29
24 th Index-linked 24 th Index-linked Reinvestment £100	04 Oct 02 - 27 Nov 02	- -	- -	- -	- -	- -	- -	- -	£100.00 £102.61	£106.80 £106.80	£110.86 £110.86
65 th 65 th Reinvestment £100	04 Oct 02 - 27 Nov 02	- -	- -	- -	- -	- -	- -	- -	£100.00 £101.28	£103.91 £103.91	£106.77 £106.77

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Annex C

Table for valuing 5-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Aug 02	01 Jul 03	01 Jul 04	01 Jul 05
25 th Index-linked 25 th Index-linked Reinvestment £100	28 Nov 02 - 04 Feb 03	- -	- -	- -	- -	- -	- -	- -	£100.00 £101.88	£106.12 £106.12	£110.25 £110.25
66 th 66 th Reinvestment £100	28 Nov 02 - 04 Feb 03	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.68	£103.42 £103.42	£106.37 £106.37
26 th Index-linked 26 th Index-linked Reinvestment £100	05 Feb 03 - 20 Feb 03	- -	- -	- -	- -	- -	- -	- -	£100.00 £101.73	£105.46 £105.46	£109.14 £109.14
67 th 67 th Reinvestment £100	05 Feb 02 - 20 Feb 03	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.63	£103.17 £103.17	£105.90 £105.90
27 th Index-linked 27 th Index-linked Reinvestment £100	21 Feb 03 - 25 Jun 03	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£103.42 £103.42	£106.77 £106.77
68 th 68 th Reinvestment £100	21 Feb 02 - 25 Jun 03	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£102.35 £102.35	£104.86 £104.86
69 th 69 th Reinvestment £100	26 Jun 03 - 20 Aug 03	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£100.00 £100.00	£103.96 £103.96

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Table for valuing 5-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Aug 02	01 Jul 03	01 Jul 04	01 Jul 05
28 th Index-linked 28 th Index-linked Reinvestment £100	26 Jun 03 - 20 Aug 03	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£100.00 £100.00	£106.42 £106.42
70 th £100	21 Aug 03 - 24 Sep 03	- -	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£104.50 £104.50
29 th Index-linked £100	21 Aug 03 - 24 Sep 03	- -	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£106.73 £106.73
71 st £100	25 Sep 03 - 21 Oct 03	- -	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£104.06 £104.06
72 nd £100	22 Oct 03 - 19 Nov 03	- -	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£104.29 £104.29
30 th Index-linked £100	25 Sep 03 - 19 Nov 03	- -	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£106.16 £106.16
73 rd £100	20 Nov 03 - 18 Feb 04	- -	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£103.80 £103.80
31 st Index-linked £100	20 Nov 03 - 18 Feb 04	- -	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£105.64 £105.64
74 th £100	19 Feb 04 - 21 Apr 04	- -	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£102.80 £102.80
32 nd Index-linked £100	19 Feb 04 - 21 Apr 04	- -	- -	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£105.11 £105.11

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Annex C

Table for valuing 5-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Aug 02	01 Jul 03	01 Jul 04	01 Jul 05
75th Reinvestment £100	22 Apr 04 - 19 May 04	-	-	-	-	-	-	-	-	£100.00	£102.85
33rd Index-linked £100	22 Apr 04 - 19 May 04	-	-	-	-	-	-	-	-	£100.00	£104.52
76th £100	20 May 04 - 23 Jun 04	-	-	-	-	-	-	-	-	£100.00	£103.05
34th Index-linked £100	20 May 04 - 23 Jun 04	-	-	-	-	-	-	-	-	£100.00	£103.98
77th £100	24 Jun 04 - 18 Aug 04	-	-	-	-	-	-	-	-	£100.00	£100.00
35th Index-linked £100	23 Jun 04 - 18 Aug 04	-	-	-	-	-	-	-	-	£100.00	£100.00
78th £100	19 Aug 04 24 Nov 04	-	-	-	-	-	-	-	-	-	£100.00
36th Index-linked £100	19 Aug 04 24 Nov 04	-	-	-	-	-	-	-	-	-	£100.00
79th £100	19 Aug 04 25 Nov 04	-	-	-	-	-	-	-	-	-	£100.00
37th Index-linked £100	19 Aug 04 25 Nov 04	-	-	-	-	-	-	-	-	-	£100.00

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Table for valuing 3-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Jul 02	01 Jul 03	01 Aug 04	01 Jul 05
1st Index-linked 1st Index-linked Reinvestment £100	26 Jun 03 - 20 Aug 03	-	-	-	-	-	-	-	£100.00	£100.00	£106.63
2nd Index-linked £100	21 Aug 03 - 24 Sep 03	-	-	-	-	-	-	-	£100.00	£100.00	£107.02
3rd Index-linked £100	25 Sept 03 - 19 Nov 03	-	-	-	-	-	-	-	£100.00	£100.00	£106.63
4th Index-linked £100	20 Nov 03 - 18 Feb 04	-	-	-	-	-	-	-	£100.00	£100.00	£106.02
5th Index-linked £100	19 Feb 04 - 21 Apr 04	-	-	-	-	-	-	-	£100.00	£100.00	£105.41
6th Index-linked £100	22 Apr 04 - 19 May 04	-	-	-	-	-	-	-	£100.00	£100.00	£104.76
7th Index-linked £100	23 Jun 04 - current	-	-	-	-	-	-	-	£100.00	£100.00	£104.28
8th Index-linked £100	18 Aug 04 - current	-	-	-	-	-	-	-	£100.00	£100.00	£100.00
9th Index-linked £100	24 Nov 04 - current	-	-	-	-	-	-	-	-	-	£100.00
10th Index-linked £100	24 Nov 04 - current	-	-	-	-	-	-	-	-	-	£100.00

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Annex C

Table for valuing 2-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Jul 02	01 Aug 03	01 Jul 04	01 Jul 05
1st Reinvestment £100	08 Oct 99 - 21 Dec 99	- -	- -	- -	- -	£100.00 £101.88	£106.17 £106.17	£110.02 £110.02	£113.27 £113.27	£116.82 £116.82	£120.39 £120.39
1st Index-Linked 1st Index-Linked Reinvestment £100	08 Oct 99 - 21 Dec 99	- -	- -	- -	- -	£100.00 £103.95	£107.43 £107.43	£111.72 £111.72	£116.26 £116.26	£121.11 £121.11	£125.74 £125.74
2nd Reinvestment £100	22 Dec 99 - 26 Jan 00	- -	- -	- -	- -	£100.00 £102.00	£105.28 £105.28	£110.75 £110.75	£113.37 £113.37	£117.20 £117.20	£120.75 £120.75
2nd Index-Linked 2nd Index-Linked Reinvestment £100	22 Dec 99 - 23 Feb 00	- -	- -	- -	- -	£100.00 £100.00	£107.21 £103.41	£112.26 £112.26	£117.06 £117.06	£121.76 £121.76	£127.28 £127.28
3rd Reinvestment £100	27 Jan 00 - 22 Jun 00	- -	- -	- -	- -	£100.00 £101.08	£104.30 £104.30	£109.73 £109.73	£113.02 £113.02	£116.99 £116.99	£120.68 £120.68
3rd Index-Linked 3rd Index-Linked Reinvestment £100	24 Feb 00 - 22 Jun 00	- -	- -	- -	- -	£100.00 £102.56	£104.41 £104.41	£110.20 £110.20	£114.34 £114.34	£119.02 £119.02	£124.11 £124.11
4th Reinvestment £100	23 Jun 00 - 23 Oct 00	- -	- -	- -	- -	£100.00 £100.00	£100.00 £102.00	£107.91 £107.91	£110.47 £110.47	£113.29 £113.29	£116.73 £116.73
4th Index-Linked 4th Index-Linked Reinvestment £100	23 Jun 00 - 23 Oct 00	- -	- -	- -	- -	£100.00 £100.00	£100.00 £102.16	£108.49 £108.49	£113.38 £113.38	£117.56 £117.56	£123.21 £123.21

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Table for valuing 2-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Jul 02	01 Aug 03	01 Jul 04	01 Jul 05
5 th Reinvestment £100	24 Oct 00 - 04 Dec 00	-	-	-	-	-	£100.00 £102.00	£106.40 £106.40	£110.15 £110.15	£113.19 £113.19	116.54 116.54
5 th Index-Linked Reinvestment £100	24 Oct 00 - 04 Dec 00	-	-	-	-	-	£100.00 £101.87	£106.70 £106.70	£111.57 £111.57	£115.47 £115.47	£120.61 £120.61
6 th Reinvestment £100	05 Dec 00 - 22 Jan 01	-	-	-	-	-	£100.00 £100.93	£105.88 £105.88	£108.75 £108.75	£111.61 £111.61	£114.94 £114.94
6 th Index-Linked Reinvestment £100	05 Dec 00 - 22 Jan 01	-	-	-	-	-	£100.00 £100.64	£105.83 £105.83	£110.85 £110.85	£114.67 £114.67	£119.83 £119.83
7 th Reinvestment £100	23 Jan 01 - 18 Jul 01	-	-	-	-	-	£100.00 £100.85	£103.40 £103.40	£106.43 £106.43	£109.09 £109.09	£111.67 £111.67
7 th Index-Linked Reinvestment £100	23 Jan 01 - 18 Jul 01	-	-	-	-	-	£100.00 £100.61	£102.80 £102.80	£108.22 £108.22	£111.34 £111.34	£115.60 £115.60
8 th Reinvestment £100	19 Jul 01 - 23 Aug 01	-	-	-	-	-	- -	£100.00 £102.63	£106.69 £106.69	£109.77 £109.77	£112.61 £112.61
8 th Index-Linked Reinvestment	19 Jul 01 - 25 Oct 01	-	-	-	-	-	- -	£100.00 £102.39	£107.40 £107.40	£111.49 £111.49	£116.36 £116.36

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Annex C

Table for valuing 2-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Jul 02	01 Aug 03	01 Jul 04	01 Jul 05
9 th Reinvestment £100	24 Aug 01 - 25 Oct 01	- -	- -	- -	- -	- -	- -	£100.00 £102.44	£105.24 £105.24	£108.74 £108.74	£111.85 £111.85
9 th Index-Linked 9 th Index-Linked Reinvestment £100	26 Oct 01 - 29 Nov 01	- -	- -	- -	- -	- -	- -	£100.00 £101.58	£106.01 £106.01	£110.07 £110.07	£114.76 £114.76
10 th Reinvestment £100	26 Oct 01 - 29 Nov 01	- -	- -	- -	- -	- -	- -	£100.00 £101.50	£104.86 £104.86	£108.32 £108.32	£111.63 £111.63
10 th Index-Linked 10 th Index-Linked Reinvestment £100	30 Nov 01 - 24 Jan 02	- -	- -	- -	- -	- -	- -	£100.00 £102.00	£106.09 £106.09	£110.12 £110.12	£114.80 £114.80
11 th Reinvestment £100	30 Nov 01 - 24 Jan 02	- -	- -	- -	- -	- -	- -	£100.00 £101.33	£103.49 £103.49	£106.80 £106.80	£110.03 £110.03
11 th Index-Linked 11 th Index-Linked Reinvestment £100	25 Jan 02 - 25 Apr 02	- -	- -	- -	- -	- -	- -	£100.00 £101.72	£105.96 £105.96	£110.42 £110.42	£115.08 £115.08
12 th Reinvestment £100	25 Jan 02 - 25 Jul 02	- -	- -	- -	- -	- -	- -	£100.00 £100.00	£100.00 £102.25	£105.71 £105.71	£109.34 £109.34
12 th Index-Linked 12 th Index-Linked Reinvestment £100	26 Apr 02 - 03 Oct 02	- -	- -	- -	- -	- -	- -	£100.00 £101.63	£100.00 £103.39	£107.41 £107.41	£112.35 £112.35

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Table for valuing 2-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Jul 02	01 Aug 03	01 Jul 04	01 Jul 05
13th Reinvestment £100	26 Jul 02 - 22 Aug 02	-	-	-	-	-	-	£100.00 £100.00	£100.00 £102.06	£105.26 £105.26	£108.69 £108.69
13th Index-Linked Reinvestment £100	04 Oct 02 - 27 Nov 02	-	-	-	-	-	-	-	£100.00 £102.61	£106.37 £106.37	£111.20 £111.20
14th Reinvestment £100	23 Aug 02 - 03 Oct 02	-	-	-	-	-	-	£100.00 £100.00	£100.00 £101.25	£103.99 £103.99	£107.19 £107.19
14th Index-Linked Reinvestment £100	28 Nov 02 - 04 Feb 03	-	-	-	-	-	-	-	£100.00 £101.76	£105.23 £105.23	£110.01 £110.01
15th Index-Linked Reinvestment £100	05 Feb 03 - 25 Jun 03	-	-	-	-	-	-	-	£100.00 £100.00	£103.74 £103.74	£106.88 £106.88
15th Reinvestment £100	04 Oct 02 - 27 Nov 02	-	-	-	-	-	-	-	£100.00 £101.15	£102.73 £102.73	£106.88 £106.88
16th Reinvestment £100	28 Nov 02 - 04 Feb 03	-	-	-	-	-	-	-	£100.00 £100.63	£103.27 £103.27	£107.06 £107.06
17th Reinvestment £100	05 Feb 03 - 20 Feb 03	-	-	-	-	-	-	-	£100.00 £100.59	£103.08 £103.08	£106.04 £106.04

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Annex C

Table for valuing 2-Year National Savings Certificates - July 2005

Issue no. & purchase price of each unit	Date of issue	01 Jul 96	01 Jul 97	01 Jul 98	01 Jul 99	01 Jul 00	01 Jul 01	01 Jul 02	01 Aug 03	01 Jul 04	01 Jul 05
18th 18th Reinvestment £100	21 Feb 03 - 25 Jun 03	-	-	-	-	-	-	-	£100.00 £100.00	£102.05 £102.05	£104.87 £104.87
19th 19th Reinvestment £100	26 Jun 03 - 20 Aug 03	-	-	-	-	-	-	-	£100.00 £100.00	£100.00 £100.00	£103.93 £103.93
20th £100	21 Aug 03 24 Sep 03	-	-	-	-	-	-	-	-	£100.00	£104.51
21st £100	25 Sep 03 21 Oct 03	-	-	-	-	-	-	-	-	£100.00	£104.07
22nd £100	22 Oct 03 19 Nov 03	-	-	-	-	-	-	-	-	£100.00	£104.51
23rd £100	20 Nov 03 18 Feb 04	-	-	-	-	-	-	-	-	£100.00	£103.80
24th £100	19 Feb 04 21 Apr 04	-	-	-	-	-	-	-	-	£100.00	£102.90
25th £100	22 Apr 04 19 May 04	-	-	-	-	-	-	-	-	£100.00	£103.15
26th £100	20 May 04 23 Jun 04	-	-	-	-	-	-	-	-	£100.00	£100.00
27th £100	24 Jun 04 - 18 Aug 04	-	-	-	-	-	-	-	-	£100.00	£100.00
28th £100	19 Aug 04 - 24 Nov 04	-	-	-	-	-	-	-	-	£100.00	£100.00
29th £100	25 Nov 04 - current	-	-	-	-	-	-	-	-	£100.00	£100.00

* The price of each unit is shown but they can only be purchased in blocks of 4 units (£100)
For Notes see end of this Annex.

Notes:

- 1** Where the value of the last preceding 1 July is shown as "–", or the certificates are from a new issue not yet shown on this table, take the purchase price as the capital value.
- 2** Since the 42nd issue in 1994, certificates may be purchased for any amount subject to a minimum purchase of £100 (except for Reinvestment Certificates where there is not minimum) and a maximum holding.
- 3** For valuations of National Savings Certificates, telephone either of the following numbers between 9am and 4.30pm, Monday to Friday.

0845 964 5000	charged at local rates
0191 374 5022	charged at normal rates
- 4** Where the issues are no longer on sale the valuation is calculated at the last date of sale whereas the value of current issues are at the first day of sale.
- 5** The issues currently on sale are
 - five-year 79th fixed and 37th index-linked
 - three-year 10th index-linked
 - two-year 29th fixed

Form LA1

Form LA1 PDF is attached to this PDF

Form LA1*LA to complete this page*

LA office address

Our phone number is

Code	Number	Ext
------	--------	-----

If you have textphone, you can call on

Code	Number
------	--------

If you get in touch with us, tell us this reference number

Date

/	/
---	---

We need some more information

In your application for Housing Benefit/Council Tax Benefit you said that you have an interest in property which is not the property you are living in.

We need some more information about the property before we can decide how much benefit you could get.

Please answer the questions as if you were doing so on

/	/
---	---

If there have been any changes since this date, tell us on a separate sheet of paper.

When you have answered the questions, send this form back to us. Use the envelope we have sent you. It does not need a stamp.

If you have any recent papers to show how much the property is worth, please send them to us with this form.

This could be a valuation document or evidence of the sale of the property. We will send the papers back to you.

If you cannot send us anything to show how much the property is worth, we may have to arrange for the property to be inspected externally by an independent valuer.

The valuer will give an opinion about the value of the property. Please make sure you tell us everything about the property which may affect its value.

If you need any help to fill in this form, please get in touch with us. Our phone number and address are at the top of this page.

Please turn over ►

Part 1 About the property**1 Full address of the property.**

If you have an interest in more than one property, tell us about the other properties on a separate form LA1 or answer all the following questions on a separate sheet of paper.

Postcode

2 Please tell us what type of property it is.

House, bungalow or flat

☐

Number of bedrooms

Block of houses or flats

☐

Shop or warehouse

☐

Land

☐

acres / hectares

Please send an Ordnance Survey plan of the land showing the boundaries.

Other – please explain

☐**3 Are you taking steps to dispose of the property or your share in it – for example, by selling it?**

If it is already for sale, when did you first take these steps?

No ☐Yes ☐

Please tell us about this on a separate sheet of paper. Please send us proof that the property is for sale, such as estate agent's sale particulars.

4 Is the property subject to divorce or dissolution of a civil partnership proceedings?

For example, proceedings about the disposal of assets of the marriage/civil partnership.

When did you leave the matrimonial home/home of the civil partnership?

No ☐Yes ☐

What stage have the proceedings reached?

Please send details of any proposals, court orders or agreements affecting the property.

5 Do you intend to live in the property?No ☐Yes ☐

When do you intend moving in?

What stops you living in it now?

6 What is your interest in the property?

Please tick one box.

Freehold ☐Leasehold ☐

How long is the lease for?

What date did the lease start?

How much is the rent or ground rent, excluding VAT?

Please send a copy of the tenancy agreement.

Other ☐

Please give details

Part 1 About the property continued

7 Is there a mortgage or other charge on the property?	No <input type="checkbox"/> Yes <input type="checkbox"/> How much is outstanding? £ <input style="width: 150px;" type="text"/> Please send a copy of the latest mortgage statement.												
Are there any mortgage arrears secured on the property?	No <input type="checkbox"/> Yes <input type="checkbox"/> How much are the arrears? £ <input style="width: 150px;" type="text"/>												
Is any other debt secured on the property?	No <input type="checkbox"/> Yes <input type="checkbox"/> How much is outstanding £ <input style="width: 150px;" type="text"/> Please send a copy of the latest statements etc.												
<hr/>													
8 Has planning permission been granted for any proposed changes to the property? For example, the building of an extension.	No <input type="checkbox"/> Yes <input type="checkbox"/> Please tell us about this on a separate sheet of paper.												
<hr/>													
9 Has planning permission been refused for any proposed changes to the property?	No <input type="checkbox"/> Yes <input type="checkbox"/> Please tell us about this on a separate sheet of paper what the plans were and why permission was refused.												
<hr/>													
10 Are there any legal restrictions on the property?	No <input type="checkbox"/> Yes <input type="checkbox"/> Please tell us about this on a separate sheet of paper.												
<hr/>													
11 Are there any tenants living in the property or using it for business?	No <input type="checkbox"/> Yes <input type="checkbox"/> Please tell us about them.												
Names of all the tenants	<div style="border: 1px solid black; height: 80px; width: 100%;"></div>												
Amount of rent you should get and how often it is payable	£ <input style="width: 100px;" type="text"/> every <input style="width: 50px;" type="text"/> excluding VAT												
Length of tenancy	<input style="width: 150px;" type="text"/>												
Date tenancy started	<input style="width: 150px;" type="text"/>												
Please tick to tell us the type of tenancy. Please send a copy of the tenancy agreement, if you can.	<table border="0"> <tr> <td>Assured</td> <td><input type="checkbox"/></td> <td>Protected business tenancy</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Assured shorthold</td> <td><input type="checkbox"/></td> <td>Other business tenancy</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Other residential tenancy</td> <td><input type="checkbox"/></td> <td></td> <td></td> </tr> </table>	Assured	<input type="checkbox"/>	Protected business tenancy	<input type="checkbox"/>	Assured shorthold	<input type="checkbox"/>	Other business tenancy	<input type="checkbox"/>	Other residential tenancy	<input type="checkbox"/>		
Assured	<input type="checkbox"/>	Protected business tenancy	<input type="checkbox"/>										
Assured shorthold	<input type="checkbox"/>	Other business tenancy	<input type="checkbox"/>										
Other residential tenancy	<input type="checkbox"/>												

Part 1 About the property continued**12 Please tell us about anyone who**

- lives in the property who is not a tenant, or
- uses it for business.

	Person 1	Person 2
Name of occupier/user	<input type="text"/>	<input type="text"/>
Do they live there?	No <input type="checkbox"/> Yes <input type="checkbox"/>	No <input type="checkbox"/> Yes <input type="checkbox"/>
Do they use it for business?	No <input type="checkbox"/> Yes <input type="checkbox"/>	No <input type="checkbox"/> Yes <input type="checkbox"/>
How long have they occupied the property?	<input type="text"/>	<input type="text"/>
Relationship to owner or tenant if any	<input type="text"/>	<input type="text"/>
Age if 60 or over or if under 19 and still in education	<input type="text"/>	<input type="text"/>
Are they a lone parent?	No <input type="checkbox"/> Yes <input type="checkbox"/>	No <input type="checkbox"/> Yes <input type="checkbox"/>
Are they sick or disabled?	No <input type="checkbox"/> Yes <input type="checkbox"/>	No <input type="checkbox"/> Yes <input type="checkbox"/>
What social security benefits do they get, if any?	<input type="text"/>	<input type="text"/>
What date was this benefit paid from?	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>
	Person 3	Person 4
Name of occupier/user	<input type="text"/>	<input type="text"/>
Do they live there?	No <input type="checkbox"/> Yes <input type="checkbox"/>	No <input type="checkbox"/> Yes <input type="checkbox"/>
Do they use it for business?	No <input type="checkbox"/> Yes <input type="checkbox"/>	No <input type="checkbox"/> Yes <input type="checkbox"/>
How long have they occupied the property?	<input type="text"/>	<input type="text"/>
Relationship to owner or tenant if any	<input type="text"/>	<input type="text"/>
Age if 60 or over or if under 19 and still in education	<input type="text"/>	<input type="text"/>
Are they a lone parent?	No <input type="checkbox"/> Yes <input type="checkbox"/>	No <input type="checkbox"/> Yes <input type="checkbox"/>
Are they sick or disabled?	No <input type="checkbox"/> Yes <input type="checkbox"/>	No <input type="checkbox"/> Yes <input type="checkbox"/>
What social security benefits do they get, if any?	<input type="text"/>	<input type="text"/>
What date was this benefit paid from?	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>

13 Please tell us about the outgoings on the property.

If someone else is responsible for any of the following items, please get their permission to tell us this information.

	Amount and how often it is paid	Name of person who pays it
Mortgage	£ <input type="text"/> every <input type="text"/>	<input type="text"/>
Ground rent	£ <input type="text"/> every <input type="text"/>	<input type="text"/>
Council tax or business rate	£ <input type="text"/> every <input type="text"/>	<input type="text"/>
Water charges	£ <input type="text"/> every <input type="text"/>	<input type="text"/>
Rent charge	£ <input type="text"/> every <input type="text"/>	<input type="text"/>
Please tell us about any other outgoings	<input type="text"/> £ <input type="text"/> every <input type="text"/>	<input type="text"/>

Part 2 About jointly owned property

14 Do you jointly own the property with anyone?

No ☐

Go to **Question 24** at the start of **Part 3**.

Yes ☐

Please tell us the names of all the owners

Names of owners who would be entitled to a share in the proceeds if the property was sold (the beneficiaries).

Names of legal owners of the property who **would not** be entitled to a share in the proceeds if the property was sold – for example, trustees or solicitors.

15 Are you a joint tenant (joint owner in Scotland)?

No ☐

This will apply to you if your share would increase automatically if one of the other owners were to unfortunately die.

Yes ☐

16 Are you tenant in common (common owner in Scotland)?

No ☐

This may apply if the share is written down in a legal document. If it is written down, please send us a copy of the document.

Yes ☐

What is your share?

17 Did you buy the property?

No ☐ Please explain how the property came into your possession (eg the property was left to you in a will; my son bought it for me)

Yes ☐

i) What was the original purpose of buying the property? (ie, the reason you originally bought it – as a home, an investment etc)

ii) Did you purchase the property yourself? (ie, did you finance the property from your own savings or with a loan from a building society, bank etc). If not, please explain.

18 What is the property used for at the moment?

19 Would any of the other owners be willing and able to buy your share?

No ☐

Yes ☐

20 Would any of the other owners be willing to sell the property as a whole?

No ☐

Yes ☐

21 Are there any agreements between the owners about selling the property, if one of the joint owners wanted to sell it?

No ☐

If one of the joint owners wanted to sell, would they be likely to take legal action to force a sale?

No ☐

Yes ☐

Yes ☐

Please tell us about this on a separate sheet of paper.

Part 2 About jointly owned property continued**22** Has a share in the property ever been sold before?No ☐Yes ☐

How much was it sold for? £

When was it sold?

23 Are there any court orders which affect the way the property is sold?No ☐Yes ☐

For example, an order that the property must be sold as a whole. If a court order is being pursued, tick **Yes**.

Please tell us about this on a separate sheet of paper

Part 3 More about the property**24** Is there anything else that may affect the value of the property?No ☐Yes ☐

For example,

- the interior is derelict or sub-standard
- restrictions on its sale
- shared access or difficulties or restrictions on access
- if services are provided
- if a smallholding or land for personal use is attached to it (in addition to any garden)
- if it is occupied only in part, (tell us which part).

Please tell us about this in the box below.

25 What is your estimate of the value of the property at the date on the front of this form?£ **26** Do you give us permission to arrange for the property to be valued by an independent valuer, if necessary?No ☐Yes ☐If **No**, please tell us why.

Remember that any valuation will be done by means of an external examination, in accordance with the Royal Institution of Chartered Surveyors (RICS) guidelines. It is important that you give us as much information about the property as possible so we can obtain an accurate valuation.

Part 4 Your declaration

I understand that if I give information that is incorrect or incomplete, I may be liable to prosecution or other action.

Your signature

I declare that the information I have given on this form is correct and complete.

Date

Form LA2

Form LA2 PDF is attached to this PDF

Form LA2

District Valuer Services
Valuation Office Agency
Wycliffe House, Green Lane
Durham
DH1 3UW

(LA to complete)

LA address

Our phone number is

Code Number Ext

If you get in touch with us, tell us this reference number

Date

Valuation of shared interest in property (LA to complete)

We have received an application for Housing Benefit/Council Tax Benefit and need to know the market value of the customer's interest in the property at this address: **Please give your opinion** for this property at the date(s) shown of the

☐ market value – **Part 1**☐ market value of customer's share – **Part 2**The deemed share is orActual share is
Complete one box only

Signature

Name in BLOCK CAPITALS

Date

Invoice address
if different
from address
at top

Postcode

/ / / / /

/ /

Capital Valuations, Benefit Delivery Specialist
Operations Team, Room 3S25
Quarry House, Quarry Hill
Leeds **Postcode** LS2 7UA

Part 1 Market value (VOA to complete)**I confirm that**

- no deduction has been made for any mortgage or other liability secured on the property, or for any expenses of sale
- I have taken into account all the relevant information I have been given about the property.

Signature

Name

Date

Phone number

In my opinion the market value of the above property was

£ on / /

£ on / /

£ on / /

VOA reference

VOA address stamp

Part 2 **Market value of share** (VOA to complete)

I confirm that using the information supplied I have

- assumed the customer is a willing seller,
- considered any encumbrances
- assumed the ownership and any encumbrance are deemed to be in equal shares in joint ownership cases, and

considered

Please tick the sections which apply.

- ☐ A rights of occupation possessed by occupants who are not owners
- ☐ B if the other owners would agree to the sale of the asset as a whole
- ☐ C if the other owners would be willing and able to buy the share
- ☐ D the occupation of the property by other owners and whether they would be willing to vacate it
- ☐ E where the other owners would not buy the share or agree to the sale of the asset as a whole or are not prepared to vacate the property
- ☐ the attitude of the courts – whether they would order the sale of property as a whole; as a partition; or some other order
- ☐ the length of time a purchaser may have to wait before obtaining possession of the asset, ie the share
- ☐ the potential legal costs of a buyer
- NB The valuer should consider the relevant facts and not assume an order will be granted.
- ☐ F the rights of occupation of the other owners
- ☐ G planning or other restrictions on the property as specified on form LA1
- ☐ H the risks that legal owners may try to abuse their position – for example, sell the property and keep the proceeds for themselves; encumber the property with secured debts; or lease the property
- ☐ J sales of similar share interests in property, the comparables used to value the share element being
- ☐ VOA database
- ☐ sales information
- ☐ land registry list
- ☐ estate agents' particulars
- ☐ other – please state _____

- ☐ K that there is
- ☐ no market for the share
- ☐ a market for the share
- ☐ VOA database at or in
- ☐ auctions
- ☐ private treaty
- ☐ other – please state _____

In my opinion the true market value of the entire property is

£ on / /

£ on / /

£ on / /

- deemed share (joint ownership) after considering encumbrances
 - using the information on form LA1
 - taking into account the above factors relevant to this case, and
 - using my professional judgement to reach a balanced valuation figure is

£ on / /

£ on / /

£ on / /

- actual undivided share (common ownership) after considering encumbrances
 - using the information on form LA1
 - taking into account the above factors relevant to this case, and
 - using my professional judgement to reach a balanced valuation figure is
- If nil value, go to signature.

£ on / /

£ on / /

£ on / /

I have not reflected the costs of disposal of the customer's interest in this valuation.

Signature

Name

Date / /

Phone number

VOA reference

VOA address stamp

Valuation of government securities

F2.00 A claim received on 19 January includes information that capital held includes £2,000 in a building society account, £11,800 in 3 per cent Exchequer Gas Stock and £4,000 in 3.5 per cent War Stock. At face value the claimant appears to have over £16,000 in capital and would appear to be excluded from HB.

F2.01 On being asked to verify stock holdings, the claimant provides the interest warrants for the Government stocks in the form of a voucher.

F2.02 The value to be given to the stock holdings can be estimated from the Stock Exchange Prices as listed in, for example, the financial pages of *The Times*.

F2.03 The claimant's capital is therefore as follows

Type of capital	Face value	Stock price per £100 held	Potential disposal value
	£	£	£
3% Exchequer Gas Stock	11,800	78.25	9,233.50
3.5% War Stock	4,000	39.25	1,570
Total disposal value			10,803.50
Both attract allowance for costs of disposal at 10%			1080.35
Value of stock for HB purposes			9723.15
Add building society holding			2,000.00
Total capital for HB calculation			11,723.15
Tariff income to be included in HB assessment			£35.00

Person dies whilst deferring their Retirement Pension

- 1 If a married person, or, from 5 December 2005, a civil partner, dies while they are still deferring their Retirement Pension, their surviving spouse or civil partner has the choice of inheriting either extra Retirement Pension or a lump sum.
- 2 The same provisions in respect of making the choice will apply to the surviving spouse/civil partner, that is
 - they will only be able to choose a lump sum if the deceased had deferred for at least 12 months (after 6 April 2005) before they died
 - the lump sum will be taxable, but they will be able to delay receipt until the following year, if that would be more advantageous
 - the amount of the disregard of the lump sum will be equal to the amount of the gross payment
 - they will have three months to decide whether to choose a lump sum or extra Retirement Pension and in which to change their choice, should they wish to
- 3 If the surviving spouse/civil partner has also deferred their own pension and chosen a lump sum, the disregard will be the total of both lump sums.
- 4 **Note:** The disregard will **not** apply to a lump sum that a surviving spouse/civil partner has inherited as part of the deceased's estate, ie where a deferrer had already chosen a lump sum before they died.

Disregard of deferred Retirement Pension lump sum - examples of how capital will display on RIS20212

Example 1

Capital held

Claimant	£13,000
Partner	£8,000
Total	£21,000

Claimant's gross lump sum	£7,000
Total	£28,000

Disregards

Standard	£6,000
Lump sum	£7,000
Total	£13,000

Amount of capital used by DWP to calculate tariff income in Pension Credit assessment is £28,000 less £13,000 = **£15,000**

The RIS report will display **Y** for capital over £16,000 indicator and £21,000 in the **Gross Capital** field, ie the capital excluding the claimant's gross lump sum.

Example 2

Capital held

Claimant	£3,000
Partner	£5,000
Total	£8,000

Claimant's gross lump sum	£7,000
Partner's gross lump sum	£2,000
Total	£17,000

Disregards

Standard	£6,000
Claimant's gross lump sum	£7,000
Partner's gross lump sum	£2,000
Total	£15,000

Amount of capital used by DWP to calculate tariff income in Pension Credit assessment is £17,000 less £15,000 = **£2,000**

The RIS report will display **N** for capital over £16,000 indicator and £8,000 in the **Gross Capital** field, ie the capital excluding the claimant's and partner's gross lump sums.

Example 3: Claimant permanently in a care home

Capital held

Claimant	£10,000
Gross lump sum	£10,000
Total	£20,000

Disregards

Standard	£10,000
Lump sum	£10,000
Total	£20,000

Amount of capital used by DWP to calculate tariff income in Pension Credit assessment is £20,000 less £20,000 = **nil**

The RIS report will display **N** for capital over £16,000 indicator and £10,000 in the **Gross Capital** field, ie the capital excluding the claimant's gross lump sum.

Example 4

Capital held

Claimant	£15,000
Partner	£12,000
Total	£27,000

Claimant's gross lump sum £20,000

Partner's gross lump sum £6,000

Total £53,000

Disregards

Standard	£6,000
Claimant's gross lump sum	£20,000
Partner's gross lump sum	£6,000
Total	£32,000

Amount of capital used by DWP to calculate tariff income in Pension Credit assessment is £53,000 less £32,000 = **£21,000**

The RIS report will display **Y** for capital over £16,000 indicator and £27,000 in the **Gross Capital** field, ie the capital excluding the claimant's and partner's gross lump sums.