



Independent
Living Fund

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Policy Circular

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Owner: Corporate Affairs Team

Subject: Treatment of Capital

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1.0 Background

The 2006 Trust Deed provides that users must not have capital exceeding the amount prescribed in the Grant Conditions (COGA). The COGA sets the current lower limit as £14,250 and the upper limit as £23,250.

2.0 Policy

Users with capital below £23,250 will meet the capital eligibility requirement. Users with capital over £14,250 will have a tariff charge applied. This will be calculated at £1 per every £250 and will be added to the income section of the notional assessment.

2.1 Calculation of Capital

ILF is required to carry out a means assessment for users not in receipt of Income Support, Income Based Jobseekers Allowance, Income-related Employment and Support Allowance or Pension Guarantee Credit. This is done via the “notional assessment” which also calculates the amount of a users available income. It includes a calculation of capital. The means of any partner are aggregated for this purpose.

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Capital must be calculated in accordance with regulations 46 to 52 and Schedule 10 of the Income Support General Regulations. Schedule 10 sets out what capital may be disregarded for this purpose. Detailed guidance on questions relating to capital can be found in the Decision Makers Guide Volume 5 Chapter 29.

All decisions relating to these capital calculations, including disregards under Schedule 10, are dealt with by ILF staff. Trustees are not involved.

2.2 Capital set aside for impending disability-related purchases

In addition to any capital disregarded under Schedule 10 the COGA allows ILF to disregard “the value of capital set aside for impending disability-related purchases”. Disability-related purchases are not defined but could include, for example, equipment or home adaptations. The initial decision is an operational one and the disregard should not exceed 6 months. Any extension beyond 6 months must be authorised by Trustees.

A decision to disregard capital for an impending disability-related purchase should be noted on file. A diary note should also be made and the user should be asked to confirm that the purchase has in fact been made.

2.3 Vaccine Damage Payments

The COGA provides that any capital a user or applicant has as a result of being awarded a Vaccine Damage payment is disregarded in full, whether held in a trust fund or not.

2.4 Deprivation of Capital

A user or applicant will be treated as having capital they do not have where they have purposely deprived them self of capital in order to receive or continue to receive money from the Funds. For further details on deprivation of capital see the Decision Makers Guide (DMG) Volume 5 chapter 29.

3.0 Definition of Capital

The Funds definition of capital is the same as that given in the DMG. This can include:

- Savings
- One off lump sum payments
- Investments (not including annuity payments which are regarded as income)

- Property/land (apart from the home a user/applicant lives in)
- Interest from a Trust

For full information on Capital, disregards, rights to it, ownership and deprivation refer to the DMG Volume 5 chapter 29.

4.0 Capital held in trust

ILF policy on of capital held in trust is set out in the Trust Fund Policy.

5.0 Procedure for Calculating Tariff Income

All capital below £14,250 will be fully disregarded from the financial assessment. Income between £14,250 and £23,250 will be subject to a tariff income of £1 for every £250 or part thereof. The table in appendix A sets out the amount of tariff income taken into account on capital between £14,250 and £23,250.

6.0 Source

Independent Living Fund Trust Deed 2006
Conditions of Grant Agreement 2007
Decision Makers Guide Volume 5 Chapter 29
Conditions of Grant Agreement 2008
Trustees meeting 18 September 2013

7.0 Cross references

Trust Funds policy

8.0 History Date Reviewed

29 January 2008
31 March 2008
06 April 2009
22 May 2009
10 June 2010
11 August 2011
25 January 2012 (Review date changed from June 2012)
July 2013

Appendix 1 – Tariff income table

This table shows how much money the Fund will take into account if a Fund user and/or their partner has savings over £14,250

Total capital held	Taken into account £pw
14,250.01 - 14,500.00	1
14,500.01 - 14,750.00	2
14,750.01 - 15,000.00	3
15,000.01 - 15,250.00	4
15,250.01 - 15,500.00	5
15,500.01 - 15,750.00	6
15,750.01 - 16,000.00	7
16,000.01 - 16,250.00	8
16,250.01 - 16,500.00	9
16,500.01 - 16,750.00	10
16,750.01 - 17,000.00	11
17,000.01 - 17,250.00	12
17,250.01 - 17,500.00	13
17,500.01 - 17,750.00	14
17,750.01 - 18,000.00	15
18,000.01 - 18,250.00	16
18,250.01 - 18,500.00	17
18,500.01 - 18,750.00	18
18,750.01 - 19,000.00	19
19,000.01 - 19,250.00	20

Total capital held	Taken into account £pw
19,250.01 - 19,500.00	21
19,500.01 - 19,750.00	22
19,750.01 - 20,000.00	23
20,000.01 - 20,250.00	24
20,250.01 - 20,500.00	25
20,500.01 - 20,750.00	26
20,750.01 - 21,000.00	27
21,000.01 - 21,250.00	28
21,250.01 - 21,500.00	29
21,500.01 - 21,750.00	30
21,750.01 - 22,000.00	31
22,000.01 - 22,250.00	32
22,250.01 - 22,500.00	33
22,500.01 - 22,750.00	34
22,750.01 - 23,000.00	35
23,000.01 - 23,250.00	36