

Policy 39 Treatment of Capital

Owner: ILF Scotland

Subject: Treatment of Capital

Version: 1.0

Last Amended: 1 July 2015

Date Reviewed:

1.0 Background

ILFS requires that users must not have capital exceeding the amount prescribed. The current lower limit is £14,250 and the upper limit is £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

ILFS will 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 user’s available income. It includes a calculation of capital. The means of any partner are aggregated for this purpose.

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

All decisions relating to these capital calculations, including disregards under Schedule 10, are dealt with by ILFS staff.

2.2 Capital set aside for impending disability-related purchases

In addition to any capital disregarded under Schedule 10, ILFS can 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 ILFS Directors.

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

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 themselves of capital in order to receive or continue to receive money from ILFS.

3.0 Definition of Capital

The ILFS definition of capital 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

4.0 Capital held in trust

ILFS policy on 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

7.0 Cross references

Trust Funds policy

8.0 History Date Reviewed

1 July 2015

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