

# Policy 39 Treatment of Capital

**Owner: ILF Scotland**

**Subject: Treatment of Capital**

**Version: 2.0**

**Last Amended: 1 October 2018**

**Date of next Review: 1 October 2019**

## 1. Background

ILFS requires that recipients must not have capital exceeding the amount prescribed. With effect from 1 October the upper capital limit is £27,250 and the lower limit is £17,000. This is in line with the thresholds used by Scottish Local Authorities for residential care charging.

## 2. Policy

Recipients / applicants with capital above £27,250 will not be eligible for ILF Scotland funding. Recipients with capital below £27,250 will meet the capital eligibility requirement. Recipients with capital over £17,000 will have a tariff charge applied. This will be calculated at £1 per every £250 and will be added to the available income calculation.

### 2.1 Calculation of Capital

ILF Scotland disregard the capital of people claiming the following benefits:

- Income Support;
- Income based Jobseeker's Allowance;
- Income based Employment and Support Allowance;
- Pension Guarantee Credit.

Department for Work and Pensions (DWP) conditions for receipt of these benefits is sufficient to confirm capital limit eligibility for an ILF Scotland Fund award.

### 2.2 Capital set aside for impending disability-related purchases

ILF Scotland can disregard the value of capital set aside specifically for impending disability related purchases. Disability related purchases are not defined but could include, for example, equipment or home adaptations. In these circumstances an ILF Scotland Assessor visit will be required, during which the applicant will be asked to evidence the planned expenditure.

### **2.3 Vaccine Damage Payments**

Any capital a recipient 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 recipient or applicant will be treated as having capital where they have purposely deprived themselves of capital in order to receive or continue to receive money from ILFS.

### **2.5 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

## **3. Capital held in trust**

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

## **4. Procedure for Calculating Tariff Income**

All capital below £17,000 will be fully disregarded from the financial assessment. Income between £17,000 and £27,250 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 £17,000 and £27,250.

## **5. Cross references**

## Policy 40 - Trust Funds

### Appendix 1 – Tariff income table

This table shows how much money the Fund will take into account if a recipient or applicant has savings over £17,000

<b>Total capital held</b>	<b>Taken into account £pw</b>
17,000.01 - 17,250.00	1
17.250.01 - 17,500.00	2
17,500.01 - 17,750.00	3
17,750.01 – 18,000.00	4
18,000.01 – 18, 250.00	5
18.250.01 – 18,500.00	6
18,500.01 - 18,750.00	7
18,750.01 - 19,000.00	8
19,000.01 - 19,250.00	9
19,250.01 - 19,500.00	10
19,500.01 - 19,750.00	11
19,750.01 - 20,000.00	12
20,000.01 - 20,250.00	13
20,250.01 - 20,500.00	14
20,500.01 -20,750.00	15
20,750.01 -21,000.00	16
21,000.01 - 21,250.00	17
21,250.01 - 21,500.00	18

21,500.01 - 21,750.00	19
21,750.01 - 22,000.00	20
22,000.01 - 22,250.00	21
22,250.01 - 22,500.00	22
22,500.01 - 22,750.00	23
22,750.01 - 23,000.00	24
23,000.01 - 23,250.00	25
23,250.01 - 23,500.00	26
23,500.01 - 23,750.00	27
23,750.01 - 24,000.00	28
24,000.01 - 24,250.00	29
24,250.01 - 24,500.00	30
24,500.01 - 24,750.00	31
24,750.01 - 25,000.00	32
25,000.01 - 25,250.00	33
25,250.01 - 25,500.00	34
25,500.01 - 25,750.00	35
25,750.01 - 26,000.00	36
26,000.01 - 26,250.00	37
26,250.01 - 26,500.00	38
26,500.01 - 26,750.00	39
26,750.01 - 27,000.00	40
27,000.01 - 27,250.00	41

