

## Housing Benefit and Council Tax Reduction Scheme

### Information for the self-employed

#### Introduction

This leaflet is intended as a guide if you are self-employed and want to claim Housing Benefit and/or Council Tax Reduction.

#### Am I self-employed?

You are self-employed if you are

- responsible for paying your own Income Tax and National Insurance contributions
- a sole trader or in a business partnership
- a childminder

Fostering allowances and rental income do not count as self-employed earnings.

#### Can I claim Housing Benefit and/or Council Tax Reduction?

If your earnings are low and you have savings of less than £16,000 you may qualify for benefit.

#### What do I need to do?

You need to make a claim for Housing and/or Council Tax Reduction and provide proof of your self employed earnings.

To make a claim please phone us on **0800 028 2569**. We will need your **name, address and contact phone number**. We will then arrange to complete the claim with you by personal interview in one of our One Stop Shops or customer centres (located in Pontypool, Cwmbran, Blaenavon, Abergavenny, Monmouth, Chepstow or Caldicot). If you have difficulty getting into one of our offices or using the telephone we can visit you to complete the form.

Alternatively you can now make a claim online for Housing Benefit and Council Tax Reduction. Use the Online Benefit Calculator to make an application.

#### What can I provide as proof of my income?

You can provide the following items as proof of your self-employed earnings;

- Your accounts showing income/expenditure (these may be audited);
- Bank statements/paid invoices and receipts - these could be used to substantiate Income/ outgoings;
- Proof of any training allowances received from government agencies such as self-employment credit or new enterprise allowance.

If you are just setting up in business or do not have accounts available you can complete our **Self employed pro-forma**.

**See page 3 for our contact details.**

## How are my earnings worked out?

The amount of your weekly earnings is averaged over an appropriate period.

- For **established businesses** this is usually based on your previous year's accounts.
- For **new businesses** we will normally estimate your income and expenses based on the Information/evidence you have provided. We normally proceed on this basis for a limited period of between 3 to 6 months and advise you to keep proper financial records showing income and expenditure which should be submitted when your claim is reviewed.

## How is my claim assessed?

### STEP ONE

We are required to work out your total income in the assessment period.

### STEP TWO

Reasonable expenses are then deducted to arrive at your pre-tax profit.

### Allowable Expenses

Expenses are allowed as long as they are wholly and exclusively incurred for the purpose of the business. Reasonable expenses that would be allowable include:

- The purchase of stocks and supplies;
- Staff costs;
- Transport connected with the business.

### Note

Where a car or telephone for example is used partly for business and partly for private purposes, the costs can be apportioned and the amount attributable to business use can be deducted.

### Non allowable Expenses

Reasonable expenses that would not be allowed include:

- Depreciation of a capital asset;
- Business entertainment expenses;
- Money for setting up or expanding the business.

### Special rules for childminders

If you are a self-employed childminder instead of working out what your actual expenses are two thirds of your income is ignored (in lieu of expenses). Your Income Tax and National Insurance is calculated on one third of your income.

### STEP THREE

Allowances are made for Tax and National Insurance contributions.

We are required to work these out based on your pre-tax profit. They usually differ from the actual income Tax and National Insurance you pay to the HM Revenues and Customs.

### STEP FOUR

An allowance is made for half of any pension contributions you pay into a private pension scheme.

### STEP FIVE

Your earnings are included in the Housing and Council Tax Reduction assessment and your benefit is worked out.

## What happens next?

We will send you a benefit decision notice advising you of your Housing Benefit and Council Tax Reduction.

## What should I do if my circumstances change?

If any of the details that you have supplied change, you must notify us **immediately**. **If you fail to do so you may lose benefit.**

### Examples of changes that may affect benefit

- Somebody moving in or out of the household.
- Starting or stopping employment.
- A change in address.
- A change of income such as pay rise/cut or a change in benefits.
- A change in rent (private and Housing Association tenants).
- A change in the amount of savings, capital or investments that you have.

## Our Contact details

If you need more help, please contact us.

<b>TORFAEN RESIDENTS</b> should contact <b>TELEPHONE:01495 766430 or 01495 766570</b> <b>E-MAIL: <a href="mailto:benefits@torfaen.gov.uk">benefits@torfaen.gov.uk</a></b>  <b>Minicom</b> for those who are deaf or hard of hearing. The number is <b>01495 767871</b>	<b>MONMOUTHSHIRE RESIDENTS</b> should contact <b>TELEPHONE:01633 644650 or 01633 644655</b> <b>E-MAIL: <a href="mailto:benefits@monmouthshire.gov.uk">benefits@monmouthshire.gov.uk</a></b>	
<b>OUR ADDRESS-</b> Shared Benefit Service Level 3, Civic Centre Pontypool Torfaen NP4 6YB		
<b>IN PERSON</b> at any of our One Stop shops or Customer Centres		
<b>ABERGAVENNY</b> <b>(open normal office hours)</b> Cross Street, Abergavenny NP7 5HD	<b>CHEPSTOW</b> <b>(open normal office hours)</b> Manor Way, Chepstow NP16 5HZ	<b>CALDICOT</b> <b>(open normal office hours)</b> Woodstock Way, Caldicot NP26 5DB
<b>MONMOUTH</b> <b>(open normal office hours)</b> Priory Street, Monmouth NP25 3XA	<b>PONTYPOOL</b> <b>(open normal office hours)</b> Level One Civic Centre, Pontypool NP4 6YB	<b>CWMBRAN</b> <b>(open normal office hours)</b> 1-2 General Rees Square Cwmbran NP44 7NX
<b>BLAENAVON (Tuesday to Friday 9.30 am to 2.30pm )</b> Blaenavon World Heritage Centre Church Road Blaenavon NP4 9AS		

**WELSH TRANSLATION-**if you require a copy of this document in Welsh please contact us on the telephone numbers above.

**Online services** (This service is currently only available for Torfaen residents)

You are now able to access a full range of online services via the Council's website [www.torfaen.gov.uk](http://www.torfaen.gov.uk) under online services. Using a secure registration process you can now access the following services:

- Housing Benefit and/or Council Tax Reduction claim data for your claim
- Council Tax or Business Rate information for your account including the account balance, payment and instalment details.

The service also allows you to report a change in circumstances, claim a discount or exemption or make a payment towards your account. In addition you can check your potential entitlement to Housing Benefit and/or Council Tax Reduction and make a claim for Benefit on-line. The Benefits section will then contact you to obtain the required detail to complete the claim.