

## *Policy Circular*

### Document No 07/02

**Owner:** Corporate Affairs Team

**Subject:** Treatment of Capital

**Version:** 6 of 6

**Last Amended:** 11 August 2011

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**Next Review:** June 2012

**Please note: From 17 June 2010 the ILF is closed to new applications.**

### 1.0 Background

The 2006 Trust Deed provides that applicants and 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 and applicants 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

#### Independent Living Fund

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The Independent Living Fund is an Executive Non-Departmental Public Body of the Department for Work and Pensions

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.

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 operations. 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 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.

### **5.0 Source**

Independent Living Fund Trust Deed 2006  
Conditions of Grant Agreement 2007  
Decision Makers Guide Volume 5 Chapter 29  
Conditions of Grant Agreement 2008

### **6.0 History Date Reviewed**

29 January 2008  
31 March 2008  
06 April 2009  
22 May 2009  
10 June 2010  
11 August 2011

## 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

<b>Total Capital Held</b>	<b>Taken into Account £pw</b>
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
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