

Legal Services and Applications Department

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To: All civil legal aid solicitors

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Your ref:

Please quote the department above and
our reference: eligibility09

25 March 2009

This mailing contains important information for solicitors who undertake civil legal aid. Please ensure that all staff involved in providing civil legal aid are made aware of its contents.

Increase in civil legal aid financial eligibility limits

Two major changes to financial eligibility for civil legal aid will come into effect from Tuesday 7 April 2009:

- an increase in the upper limit for disposable income from the current £10,306 to £25,000
- the introduction of a tapered system of contributions.

Also from this date, the annual changes to financial eligibility for advice and assistance and civil legal aid will come into effect. We will be writing with details of these together with the new Keycard in early April. Our Legal Aid Online services will also be updated to reflect these changes.

These changes were announced by the Cabinet Secretary for Justice at November's Legal Aid Conference. We estimate that around three quarters of the adult population will now potentially be financially eligible for civil legal aid. This opens up access to justice for more people and is particularly welcome news in a difficult economic climate.

As a result of these changes to eligibility rules, it may be of benefit to some clients to delay making an application for civil legal aid until after 6 April. You should therefore consider these changes and discuss with your client if they are affected by this change how best to proceed in their individual circumstances.

The eligibility changes for disposable income from 7 April 2009 will mean that those with a higher disposable income will pay a higher rate of contribution towards any grant of civil legal aid. The tapered system of contributions will be in four bands where disposable income is:

- Nil to £3,355 (current limit £3,156) - no contribution from income to pay
- £3,356 to £10,995 (current limit £10,306) - 33% of income in that range
- £10,996 - £15,000 - 50% of income in that range
- £15,001 - £25,000 - 100% of income in that range.

For example, if someone's total disposable income was £14,000, the contribution would be £ 4022.87 - this is calculated as 33% of (£10,995 minus £3,356) plus 50% of (£14,000 minus £10,996).

Please remember that an applicant who pays a contribution based on income, normally pays in monthly instalments. Also, if practitioners can give us an estimated cost of a case, we can initially restrict the contribution to this amount. Use of estimated case costs can make substantial differences to an applicant's monthly contribution instalments.

Please note the upper eligibility limit for disposable capital will increase to £12,439 from 7 April 2009. Someone may also have to pay a contribution from capital.

We will be publishing revised information leaflets for the public and a simple and easy to use eligibility calculator on our website which provides the calculation for amount to pay from 7 April 2009. Further information on these will be included in our mailing enclosing the Keycard.

In the meantime, if you have any queries on these eligibility changes, please contact our Financial Assessment Unit on 0845 123 2330.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Tom Murray', written in a cursive style.

Tom Murray
Director of Legal Services and Applications