



# Income Tax (Earnings and Pensions) Act 2003

## 2003 CHAPTER 1

### PART 10

#### SOCIAL SECURITY INCOME

#### CHAPTER 4

#### TAXABLE UK SOCIAL SECURITY BENEFITS: EXEMPTIONS

#### *Income support [<sup>F1</sup>and relevant welfare supplementary payments]*

#### Textual Amendments

- F1** Words in s. 665 cross-heading inserted (with effect in accordance with reg. 2 of the amending S.I.) by [The Taxation of Northern Ireland Welfare Supplementary Payments Regulations 2017 \(S.I. 2017/338\)](#), regs. 1, 7

#### **665** [<sup>F2</sup>Exempt unless payable to a person involved in a trade dispute]

- (1) No liability to income tax arises on income support unless—
- (a) the income support is payable to one member of a <sup>F3</sup>... couple (“the claimant”), and
  - (b) section 126 of SSCBA 1992 or section 125 of SSCB(NI)A 1992 (trade disputes) applies to the claimant but not to the other member of the couple.
- (2) In this section [<sup>F4</sup>“couple” has] the same meaning as in section 137(1) of SSCBA 1992 or section 133(1) of SSCB(NI)A 1992.

---

*Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Income support and relevant welfare supplementary payments is up to date with all changes known to be in force on or before 12 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

---

- [<sup>F5</sup>(3) No liability to income tax arises on a relevant welfare supplementary payment unless the whole or part of the payment relates to a period in which the claimant was prevented from being entitled to jobseeker’s allowance by–
- (a) section 14 of the Jobseekers Act 1995 (trade disputes), or
  - (b) Article 16 of the Jobseekers (Northern Ireland) Order 1995 (trade disputes)
- or would have been so prevented if otherwise entitled to that benefit.
- (4) Where part of a relevant welfare supplementary payment relates to such a period no liability to income tax arises on the part that does not relate to such a period.]

#### Textual Amendments

- F2** S. 665 heading substituted (with effect in accordance with reg. 2 of the amending S.I.) by [The Taxation of Northern Ireland Welfare Supplementary Payments Regulations 2017 \(S.I. 2017/338\)](#), regs. 1, **8(2)**
- F3** Words in s. 665(1)(a) omitted (5.12.2005) by virtue of [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **163(a)**
- F4** Words in s. 665(2) substituted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **163(b)**
- F5** S. 665(3)(4) inserted (with effect in accordance with reg. 2 of the amending S.I.) by [The Taxation of Northern Ireland Welfare Supplementary Payments Regulations 2017 \(S.I. 2017/338\)](#), regs. 1, **8(3)**

### 666 Child maintenance bonus

No liability to income tax arises on a part of income support which is attributable to a child maintenance bonus (within the meaning of section 10 of CSA 1995 or Article 4 of CS(NI)O 1995).

### 667 Amounts in excess of taxable maximum

- (1) If the amount of income support [<sup>F6</sup>and relevant welfare supplementary payments] paid to a person (“the claimant”) for a week or a part of a week exceeds the claimant’s taxable maximum for that period, no liability to income tax arises on the excess.
- [<sup>F7</sup>(2) The claimant’s taxable maximum for a period is determined–
- (a) under section 668(1), (2) and (3) where the claimant is a member of a couple, and
  - (b) under section 668(2A) and (3) where the claimant is not a member of a couple.]

#### Textual Amendments

- F6** Words in s. 667(1) inserted (with effect in accordance with reg. 2 of the amending S.I.) by [The Taxation of Northern Ireland Welfare Supplementary Payments Regulations 2017 \(S.I. 2017/338\)](#), regs. 1, **9(2)**
- F7** S. 667(2) substituted (with effect in accordance with reg. 2 of the amending S.I.) by [The Taxation of Northern Ireland Welfare Supplementary Payments Regulations 2017 \(S.I. 2017/338\)](#), regs. 1, **9(3)**

---

**Changes to legislation:** Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Income support and relevant welfare supplementary payments is up to date with all changes known to be in force on or before 12 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

## 668 Taxable maximum

- (1) A claimant's taxable maximum for a week is determined under this subsection if the applicable amount for the purpose of calculating the income support consists only of an amount in respect of the relevant couple.

The taxable maximum is equal to one half of the applicable amount.

- (2) A claimant's taxable maximum for a week is determined under this subsection if the applicable amount includes amounts that are not in respect of the relevant couple.

The taxable maximum is equal to one half of the amount which is included in the applicable amount in respect of the relevant couple.

- [<sup>F8</sup>(2A) A claimant's taxable maximum for a week is determined under this subsection if the claimant is not a member of a couple.

The taxable maximum is equal to the applicable amount.]

- (3) A claimant's taxable maximum for a part of a week is determined as follows—

### *Step 1*

Assume that the income support is paid to the claimant for the whole of, rather than part of, the week.

### *Step 2*

Determine under subsection (1) or (2) what the claimant's taxable maximum for that week would be on that assumption.

### *Step 3*

Determine the claimant's taxable maximum for the part of the week using this formula—

$$\frac{N}{7} \times \text{TMW}$$

where—

N is the number of days in the part of the week for which the claimant is actually paid the income support, and

TMW is the taxable maximum for the whole week determined under step 2.

### **Textual Amendments**

- F8** S. 668(2A) inserted (with effect in accordance with reg. 2 of the amending S.I.) by [The Taxation of Northern Ireland Welfare Supplementary Payments Regulations 2017 \(S.I. 2017/338\)](#), regs. 1, **10**

## 669 Interpretation

- [<sup>F9</sup>(A1) In sections 665 and 667 “relevant welfare supplementary payment” means a payment to which a person is entitled under—

- (a) regulation 8 (when the recipient is entitled to the payment by meeting the condition in regulation 8(2)(c)) or regulation 12 of WSP(LCP)R(NI) 2016, or

---

*Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Income support and relevant welfare supplementary payments is up to date with all changes known to be in force on or before 12 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

---

(b) regulation 4 , 5 or 6 of WSP(LDRP)R(NI) 2016.]

(1) In section 668, except in relation to Northern Ireland—

“applicable amount” means the amount prescribed in relation to income support in regulations made under section 135 of SSCBA 1992;

[<sup>F10</sup>“couple” has the same meaning as in section 137(1) of SSCBA 1992]

(2) In section 668, in relation to Northern Ireland—

“applicable amount” means the amount prescribed in relation to income support in regulations made under section 131 of SSCB(NI)A 1992;

[<sup>F11</sup>“couple” has the same meaning as in section 133(1) of SSCB(NI)A 1992]

(3) In section 668 “relevant couple”, in relation to a claimant, means the <sup>F12</sup>... couple of which the claimant is a member.

#### **Textual Amendments**

**F9** S. 669(A1) inserted (with effect in accordance with reg. 2 of the amending S.I.) by [The Taxation of Northern Ireland Welfare Supplementary Payments Regulations 2017 \(S.I. 2017/338\)](#), regs. 1, **11**

**F10** Words in s. 669(1) substituted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **164(a)**

**F11** Words in s. 669(2) substituted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **164(b)**

**F12** Words in s. 669(3) omitted (5.12.2005) by virtue of [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **164(c)**

**Changes to legislation:**

Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Income support and relevant welfare supplementary payments is up to date with all changes known to be in force on or before 12 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 452(2)(aa) inserted by [2013 c. 29 Sch. 23 para. 11](#)
- s. 707A inserted by [2024 c. 3 s. 36\(4\)](#)