
STATUTORY INSTRUMENTS

2001 No. 1334

**SOCIAL SECURITY
TAXES**

**The Tax Credits (New Deal Consequential
Amendments) Regulations 2001**

<i>Made</i>	- - - -	<i>3rd April 2001</i>
<i>Laid before Parliament</i>		<i>3rd April 2001</i>
<i>Coming into force</i>	- -	<i>24th April 2001</i>

The Treasury, in exercise of the powers conferred upon them by sections 123(1)(b) and (c), 136(3) and (5)(a), (b) and (c), 137(1) and (2)(d) and 175(1), (3) and (4) of the Social Security Contributions and Benefits Act 1992(1), and of all other powers enabling them in that behalf, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Tax Credits (New Deal Consequential Amendments) Regulations 2001 and shall come into force on 24th April 2001.

Interpretation

2. In these Regulations—

“the Disability Working Allowance Regulations” means the Disability Working Allowance (General) Regulations 1991(2);

“the Family Credit Regulations” means the Family Credit (General) Regulations 1987(3).

Amendments to the Disability Working Allowance Regulations and the Family Credit Regulations

3. Amend the Disability Working Allowance Regulations and the Family Credit Regulations as follows.

(1) 1992 c. 4. Section 123(1)(b) and (c) was amended by paragraphs 1 and 2(f) of Schedule 1 to the Tax Credits Act 1999 (c. 10). Section 137(1) is cited because of the meaning given to the word “prescribe”. Section 137(2)(d) was substituted by paragraph 35 of Schedule 2 to the Jobseekers Act 1995 (c. 18).
(2) S.I. 1991/2887.
(3) S.I. 1987/1973.

Interpretation

4. In regulation 2(1) of the Disability Working Allowance Regulations and regulation 2(1) of the Family Credit Regulations—

(a) after the definition of “extra statutory maternity pay”(4) insert the following definition—

““Intensive Activity Period for 50 plus” means the programme known by that name and provided in pursuance of arrangements made by or on behalf of the Secretary of State under section 2 of the Employment and Training Act 1973(5), being a programme lasting for up to 52 weeks for any one individual aged 50 years or over on the day that he or she first joined any such programme, and consisting for that individual of any one or more of the following elements, namely assistance in pursuing self-employed earner’s employment, education and training, work experience, assistance with job search, motivation and skills training”.

(b) after the definition of “net profit” insert the following definition—

““New Deal option” means any of the employment programmes specified in regulation 75(1)(a)(ii) of the Jobseeker’s Allowance Regulations 1996(6) and the training scheme specified in regulation 75(1)(b)(ii) of those Regulations;”;

(c) after the definition of “self-employed earner” insert the following definition—

““self-employment route” means—

- (a) that part of the Employment Option of the New Deal which is specified in regulation 75(1)(a)(ii)(aa)(ii) of the Jobseeker’s Allowance Regulations 1996; or
- (b) assistance in pursuing self-employed earner’s employment while participating in—
 - (i) an employment zone programme; or
 - (ii) a course of training or instruction funded by or on behalf of the Secretary of State for Education and Employment, the National Assembly for Wales, or the Scottish Enterprise or Highlands or Islands Enterprise; or
 - (iii) the Intensive Activity Period specified in regulation 75(1)(a)(iv) of the Jobseeker’s Allowance Regulations 1996 or the Intensive Activity Period for 50 plus;”.

Remunerative work

5.—(1) Amend regulation 6 of the Disability Working Allowance Regulations and regulation 4 of the Family Credit Regulations as follows.

(2) In paragraph (3)(7) after the notionally inserted sub-paragraph (d)(8) insert the following paragraph—

“(da) he is participating in the Intensive Activity Period specified in regulation 75(1)(a)(iv) of the Jobseeker’s Allowance Regulations 1996 or in the Intensive Activity Period for 50 plus;”.

Notional income

6.—(1) Amend regulation 29 of the Disability Working Allowance Regulations and regulation 26 of the Family Credit Regulations as follows.

(2) In paragraph (3A)(9) after paragraph (ii) of sub-paragraph (c) insert the following paragraph—

(4) Inserted by regulations 3(2) and 11(2) of S.I. 2001/892.

(5) 1973 c. 50.

(6) S.I. 1996/207. Regulation 75(1) was amended by regulation 6 of S.I. 2001/1029.

(7) Substituted by regulations 2(a) and 11(a) of S.I. 1994/2139.

(8) Deemed to have been inserted by regulation 13(4) of S.I. 2000/3134.

(9) Paragraph (3A) was inserted by regulation 2(3) of S.I. 1998/2117.

“(iia) in the Intensive Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or in the Intensive Activity Period for 50 plus; or”.

(3) In paragraph (4) for the notionally substituted words “Subject to paragraph (4A), where”**(10)** substitute “Subject to paragraphs (4A) and (4B), where”.

(4) In the notionally inserted paragraph (4A)**(11)** omit paragraph (i) of sub-paragraph (b).

(5) After the notionally inserted paragraph (4A) insert the following paragraph—

“(4B) Paragraph (4) shall not apply in a case where the service is performed in connection with the claimant’s participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker’s Allowance Regulations 1996, other than where the service is performed in connection with the claimant’s participation in the Intensive Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or in the Intensive Activity Period for 50 plus.”.

Notional capital

7.—(1) Amend regulation 37 of the Disability Working Allowance Regulations and regulation 34 of the Family Credit Regulations as follows.

(2) In paragraph (3A)**(12)** after paragraph (ii) of sub-paragraph (b) insert the following paragraph—

“(iia) in the Intensive Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or in the Intensive Activity Period for 50 plus; or”.

Income to be disregarded

8.—(1) Amend Schedule 3 to the Disability Working Allowance Regulations (“Schedule 3”) and Schedule 2 to the Family Credit Regulations (“Schedule 2”) as follows.

(2) For sub-paragraph (d) of paragraph 11 of Schedule 3 and of Schedule 2**(13)** substitute the following sub-paragraph—

“(d) any child care expenses reimbursed to the claimant in respect of his participation in a New Deal option, in the Intensive Activity Period specified in regulation 75(1)(a)(iv) of the Jobseeker’s Allowance Regulations 1996 or in the Intensive Activity Period for 50 plus;”.

(3) For paragraph 57 of Schedule 3**(14)** and paragraph 59 of Schedule 2**(15)** substitute the following paragraph—

“Any mandatory top-up payment made to a person pursuant to section 2 of the Employment and Training Act 1973 in respect of that person’s participation in—

- (a) the self-employment route;
- (b) an employment programme specified in—
 - (i) regulation 75(1)(a)(ii)(bb) of the Jobseeker’s Allowance Regulations 1996 (Voluntary Sector Option of the New Deal);
 - (ii) regulation 75(1)(a)(ii)(cc) of those Regulations (Environmental Task Force Option of the New Deal); or

(10) Deemed to have been substituted by regulation 14(4)(b)(i) of S.I. 2000/3134.

(11) Deemed to have been inserted by regulation 14(4)(c) of S.I. 2000/3134.

(12) Inserted by regulation 3(2) and (3) of S.I. 1998/2117.

(13) Paragraph 11 was relevantly amended by regulation 17(7) and (8)(b) and (c) of S.I. 1997/2863.

(14) Paragraph 57 was substituted by regulation 7(3) and (4)(b) of S.I. 1998/1174.

(15) Paragraph 59 was substituted by regulation 7(3) and (4)(c) of S.I. 1998/1174.

- (c) the Intensive Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or the Intensive Activity Period for 50 plus.”.

Capital to be disregarded

9.—(1) Amend Schedule 4 to the Disability Working Allowance Regulations (“Schedule 4”) and Schedule 3 to the Family Credit Regulations (“Schedule 3”) as follows.

(2) For paragraph 51 of Schedule 4(16) and paragraph 52 of Schedule 3(17) substitute the following paragraph—

“Any mandatory top-up payment made to a person pursuant to section 2 of the Employment and Training Act 1973 in respect of that person’s participation in—

- (a) the self-employment route;
- (b) an employment programme specified in—
 - (i) regulation 75(1)(a)(ii)(bb) of the Jobseeker’s Allowance Regulations 1996 (Voluntary Sector Option of the New Deal);
 - (ii) regulation 75(1)(a)(ii)(cc) of those Regulations (Environmental Task Force Option of the New Deal); or
- (c) the Intensive Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or the Intensive Activity Period for 50 plus,

but only for the period of 52 weeks from the date of receipt of the payment.”.

*Dave Clelland
Greg Pope*

Two of the Lords Commissioners of Her Majesty’s Treasury

3rd April 2001

(16) Paragraph 51 was substituted by regulation 7(9) of S.I. 1998/1174.

(17) Paragraph 52 of Schedule 3 was substituted by regulation 7(9) of S.I. 1998/1174.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Family Credit (General) Regulations 1987 (S.I.1987/1973) and the Disability Working Allowance (General) Regulations 1991 (S.I. 1991/2887). The amendments are in consequence of the introduction by the Government from April 2001 of two new employment programmes known as the “Intensive Activity Period” (for persons aged between 25 and 50 years) and the “Intensive Activity Period for 50 plus” (for persons aged over 50).