

## SCHEDULE 8

### RESOURCES

#### Part II

#### Parental contribution

##### Deductions

6.—(1) For the purposes of determining the income of a student's parent (and, accordingly, the parent's gross income), insofar as in computing his total income for income tax purposes any deductions fall to be made—

- (a) by way of personal reliefs provided for the Chapter I of Part VII or section 280 of the Income and Corporation Taxes Act 1988;
- (b) in respect of any payment made by the parent under covenant;
- (c) in pursuance of any Act passed after the passing of the Finance Act 1987(1) on 15th May 1987; or
- (d) without prejudice as aforesaid, of a kind mentioned in sub-paragraph (2),

the parent's income shall be determined as though those deductions did not fall to be made.

(2) For the purpose of determining a parent's residual income there shall be deducted from his gross income—

- (a) in respect of any person, other than a spouse, child or holder of a statutory award, dependent on the parent during the year for which the contribution falls to be ascertained, the amount by which £2,030 exceeds the income of that person in that year;
- (b) the gross amount of any sums paid as interest (including interest on a mortgage) in respect of which relief is given under the Income Tax Acts in respect of a loan to the parent;
- (c) half of the gross amount of any premium payable under a policy of life insurance in respect of which relief is given under section 266 of the Income and Corporation Taxes Act 1988 (life policy and certain other premiums) in the relevant year;
- (d) the gross amount of any other premium or sum in respect of which relief is given under sections 266, 273, 619 or 639 of that Act in the relevant year;
- (e) where the parents ordinarily live together and one of them is incapacitated, so much of the cost in wages of domestic assistance as does not exceed £1,590;
- (f) where a parent whose marriage has terminated either is gainfully employed or is incapacitated so much of the cost in wages of domestic assistance as does not exceed £1,590;
- (g) in respect of additional expenditure incurred by reason of the fact that the parent lives in a place where the cost of living is higher than that cost in the United Kingdom, such sum (if any) as the board considers reasonable in all the circumstances;
- (h) in the case of a parent who holds a statutory award, the amount by which the aggregate of his requirements for his ordinary maintenance (ascertained in accordance with Part I of Schedule 7) and £825 exceeds the sum payable in respect of maintenance in pursuance of that award.

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(1) 1987 c. 16

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(3) In any case where income is computed as though it were total income by virtue of paragraph 2(4), there shall be deducted from the parent's gross income sums equivalent to the deductions mentioned in head (b), (c) or (d) of sub-paragraph (2), provided that any sums so deducted shall not exceed the deductions that would be made if the whole of the parent's income were in fact total income.