
STATUTORY RULES OF NORTHERN IRELAND

2016 No. 216

The Universal Credit Regulations (Northern Ireland) 2016

PART 6

CALCULATION OF CAPITAL AND INCOME

CHAPTER 1

CAPITAL

What is included in capital?

46.—(1) The whole of a person's capital is to be taken into account unless—

- (a) it is to be treated as income (see paragraphs (3) and (4)), or
- (b) it is to be disregarded (see regulation 48).

(2) A person's personal possessions are not to be treated as capital.

(3) Subject to paragraph (4), any sums that are paid regularly and by reference to a period, for example payments under an annuity, are to be treated as income even if they would, apart from this provision, be regarded, as capital or as having a capital element.

(4) Where capital is payable by instalments, each payment of an instalment is to be treated as income if the amount outstanding, combined with any other capital of the person (and, if the person is a member of a couple the other member), exceeds £16,000, but otherwise such payments are to be treated as capital.

Jointly held capital

47.—^[F1(1)] Where a person and one or more other persons have a beneficial interest in a capital asset, those persons are to be treated, in the absence of evidence to the contrary, as if they were each entitled to an equal share of the whole of that beneficial interest.

^[F2(2)] Any premises or land not wholly owned by the claimant are to be disregarded for such period as is reasonable in the circumstances to enable the collection of such information as is necessary to determine the treatment of capital in accordance with paragraph (1).]

Textual Amendments

- F1** [Reg. 47](#) renumbered as [reg. 47\(1\)](#) (coming into force in accordance with [reg. 1\(3\)](#) of the amending Rule) by [The Social Security \(Miscellaneous Amendments\) Regulations \(Northern Ireland\) 2017 \(S.R. 2017/116\)](#), [regs. 1\(3\)](#), [9\(3\)\(a\)](#)
- F2** [Reg. 47\(2\)](#) added (coming into force in accordance with [reg. 1\(3\)](#) of the amending Rule) by [The Social Security \(Miscellaneous Amendments\) Regulations \(Northern Ireland\) 2017 \(S.R. 2017/116\)](#), [regs. 1\(3\)](#), [9\(3\)\(b\)](#)

Capital disregarded

48.—(1) Any capital specified in Schedule 10 is to be disregarded from the calculation of a person's capital (see also regulations 75 to 77).

(2) Where a period of 6 months is specified in that Schedule, that period may be extended by the Department where it is reasonable to do so in the circumstances of the case.

Valuation of capital

49.—(1) Capital is to be calculated at its current market value or surrender value less—

- (a) where there would be expenses attributable to sale, 10 percent, and
- (b) the amount of any encumbrances secured on it.

(2) The market value of a capital asset possessed by a person in a country outside the United Kingdom is—

- (a) if there is no prohibition in that country against the transfer of an amount equal to the value of that asset to the United Kingdom, the market value in that country, or
- (b) if there is such a prohibition, the amount it would raise if sold in the United Kingdom to a willing buyer.

(3) Where capital is held in currency other than sterling, it is to be calculated after the deduction of any banking charge or commission payable in converting that capital into sterling.

Notional capital

50.—(1) A person is to be treated as possessing capital of which the person has deprived themselves for the purpose of securing entitlement to universal credit or to an increased amount of universal credit.

(2) A person is not to be treated as depriving themselves of capital if the person disposes of it for the purposes of—

- (a) reducing or paying a debt owed by the person, or
- (b) purchasing goods or services if the expenditure was reasonable in the circumstances of the person's case.

(3) Where a person is treated as possessing capital in accordance with this regulation, then for each subsequent assessment period (or, in a case where the award has terminated, each subsequent month) the amount of capital the person is treated as possessing (“the notional capital”) reduces—

- (a) in a case where the notional capital exceeds £16,000, by the amount which the Department considers would be the amount of an award of universal credit that would be made to the person (assuming they met the conditions in Article 9 and 10 of the Order) if it were not for the notional capital, or
- (b) in a case where the notional capital exceeds £6,000 but not £16,000 (including where the notional capital has reduced to an amount equal to or less than £16,000 in accordance with sub-paragraph (a) by the amount of unearned income that the notional capital is treated as yielding under regulation 72.

Status:

Point in time view as at 21/03/2022.

Changes to legislation:

There are currently no known outstanding effects for the The Universal Credit Regulations (Northern Ireland) 2016, CHAPTER 1.