

2017 No. 145

SOCIAL SECURITY

**The Universal Credit (Benefit Cap Earnings Exception)
(Amendment) Regulations (Northern Ireland) 2017**

Made - - - - - *6th July 2017*

Laid before Parliament *10th July 2017*

Coming into operation in accordance with regulation 1

The Secretary of State makes the following Regulations in exercise of the powers conferred by Article 101(1), (4)(c) and (g) of the Welfare Reform (Northern Ireland) Order 2015(a).

Those powers are exercisable by the Secretary of State by virtue of Article 4(1)(a) of the Welfare Reform (Northern Ireland) Order 2015.

Citation and commencement

1. These Regulations may be cited as the Universal Credit (Benefit Cap Earnings Exception) (Amendment) Regulations (Northern Ireland) 2017 and come into operation immediately after the coming into operation of the Universal Credit Regulations (Northern Ireland) 2016(b).

Exception to the application of the benefit cap – earnings

2.—(1) The Universal Credit Regulations (Northern Ireland) 2016 are amended in accordance with paragraphs (2) and (3).

(2) Before regulation 7(2)(a) (rounding) insert—

“(za) regulation 82(1)(a) (exceptions – earnings);”.

(3) In regulation 82 (exceptions – earnings)—

(a) in paragraph (1)(a) for “£430” substitute “the amount of earnings that a person would be paid at the hourly rate set out in regulation 4 of the National Minimum Wage Regulations 2015(c) for 16 hours per week, converted to a monthly amount by multiplying by 52 and dividing by 12”;

(b) in paragraph (3) for “exceeded the amount mentioned in paragraph (1)(a)”, substitute—
“exceeded—

(a) in any month beginning before 1st April 2017, £430; and

(b) in any other case, the amount calculated in accordance with paragraph (1)(a).”.

(a) S.I. 2015/2006 (N.I. 1); Those powers are vested in the Department for Communities by virtue of Section 1(7) of the Departments Act (Northern Ireland) 2016 c. 5 (N.I.). See Article 5 for the meaning of “regulations”

(b) S.R. 2016 No. 216

(c) S.I. 2015/621; Regulation 4 was substituted by regulation 3 of S.I. 2016/68

Signed by authority of the Secretary of State for Work and Pensions

Damien Hinds

Minister of State

Department for Work and Pensions

6th July 2017

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Universal Credit Regulations (Northern Ireland) 2016 (S.R. 2016 No. 216) in relation to the exception to the application of the benefit cap to a universal credit award in an assessment period where the claimant's earnings (or if the claimant is a member of a couple, the couple's combined earnings) exceed a specified threshold (the "earnings exception threshold").

Regulation 2(2) amends regulation 7 (rounding) of the Universal Credit Regulations (Northern Ireland) 2016 to provide that, when calculating the level of the earnings exception threshold in relation to a universal credit award, that amount is to be rounded down to the nearest whole pound.

Regulation 82(1)(a) of the Universal Credit Regulations (Northern Ireland) 2016 provides that the benefit cap does not apply to a universal credit award in relation to an assessment period where the claimant's earnings (or the couple's combined earnings) are equal to or exceed the earnings exception threshold. Regulation 2(3)(a) of these Regulations amends this threshold from the existing fixed amount of £430 to a formula to calculate the monthly amount a person would earn whilst working 16 hours per week at the National Living Wage.

Regulation 82(1)(b), (2) and (3) of the Universal Credit Regulations (Northern Ireland) 2016 provide for a 'grace period' of nine months in which the benefit cap does not apply even where earnings have fallen below the earnings exception threshold. The grace period starts to run at the point where earnings fall below the threshold on the condition that they have been equal to, or above, it for the previous 12 assessment periods (or months if outside an assessment period). Regulation 2(3)(b) of these Regulations amends regulation 82(3) in order to ensure that any entitlement to the grace period accruing in respect of a period occurring before 1st April 2017 is not retrospectively affected by the amendment to the earnings exception threshold.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sector is foreseen.

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