

SCHEDULE

NET WEEKLY INCOME

PART II

EMPLOYED EARNER

Earnings

4.—(1) Subject to sub-paragraph (2), “earnings” means, in the case of employment as an employed earner, any remuneration or profit derived from that employment and includes—

- (a) any bonus, commission, payment in respect of overtime, royalty or fees;
- (b) any holiday pay except any payable more than 4 weeks after termination of the employment;
- (c) any payment by way of a retainer;
- (d) any statutory sick pay under Part XI of the Contributions and Benefits Act or statutory maternity pay under Part XII of the Contributions and Benefits Act; and
- (e) any payment in lieu of notice, and any compensation in respect of the absence or inadequacy of any such notice, but only in so far as such payment or compensation represents loss of income.

(2) Earnings for the purposes of this Part of Schedule 1 do not include—

- (a) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;
- (b) any tax-exempt allowance made by an employer to an employee;
- (c) any gratuities paid by customers of the employer;
- (d) any payment in kind;
- (e) any advance of earnings or any loan made by an employer to an employee;
- (f) any amount received from an employer during a period when the employee has withdrawn his services by reason of a trade dispute;
- (g) any payment made in respect of the performance of duties as—
 - (i) an auxiliary coastguard in respect of coast rescue activities;
 - (ii) a part-time fireman in a fire brigade maintained in pursuance of the Fire Services Acts 1947 to 1959⁽¹⁾;
 - (iii) a person engaged part-time in the manning or launching of a lifeboat;
 - (iv) a member of any territorial or reserve force prescribed in Part I of Schedule 3 to the Social Security (Contributions) Regulations 1979⁽²⁾;
- (h) any payment made by a local authority to a member of that authority in respect of the performance of his duties as a member;
- (i) any payment where—
 - (i) the employment in respect of which it was made has ceased; and

(1) 1947 c. 41, 1951 c. 27, 1959 c. 44.

(2) S.I.1979/591. Part I of Schedule 3 was substituted by regulation 6 of S.I. 1980/1975 and paragraph 9 was substituted by regulation 4 of S.I. 1994/1553.

Draft Legislation: This is a draft item of legislation and has not yet been made as a UK Statutory Instrument.

- (ii) a period of the same length as the period by reference to which it was calculated has expired since that cessation but prior to the effective date; or
- (j) where, in any week or other period which falls within the period by reference to which earnings are calculated, earnings are received both in respect of a previous employment and in respect of a subsequent employment, the earnings in respect of the previous employment.