
STATUTORY INSTRUMENTS

1987 No. 1967

The Income Support (General) Regulations 1987

PART V

INCOME AND CAPITAL

[^{F1}CHAPTER IVA

**PARTICIPANTS IN THE SELF-EMPLOYMENT ROUTE
OF THE EMPLOYMENT OPTION OF THE NEW DEAL**

Textual Amendments

- F1** Pt. V Ch. IVA added (1.6.1998) by [The Social Security \(Miscellaneous Amendments\) \(No. 4\) Regulations 1998 \(S.I. 1998/1174\)](#), regs. 1(1), **6(3)**

Interpretation

39A. In this Chapter—

“self-employment route” means 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;

“special account” means, where a person was carrying on a commercial activity in respect of which assistance is received under the self-employment route, the account into which the gross receipts from that activity were payable during the period in respect of which such assistance was received.

Treatment of gross receipts of participants in the self-employment route of the Employment Option of the New Deal

39B. The gross receipts of a commercial activity carried on by a person in respect of which assistance is received under the self-employment route, shall be taken into account in accordance with the following provisions of this Chapter.

Calculation of income of participants in the self-employment route of the Employment Option of the New Deal

39C.—(1) The income of a person who has received assistance under the self-employment route shall be calculated by taking into account the whole of the monies in the special account at the end of the last day upon which such assistance was received and deducting from those monies—

- (a) an amount in respect of income tax calculated in accordance with regulation 39D (deduction in respect of tax for participants in the self-employment route of the Employment Option of the New Deal); and
- (b) any sum to which paragraph (4) refers.

Status: Point in time view as at 01/06/1998.

Changes to legislation: There are currently no known outstanding effects for the The Income Support (General) Regulations 1987, CHAPTER IVA. (See end of Document for details)

(2) Income calculated pursuant to paragraph (1) shall be apportioned equally over a period which starts on the date the income is treated as paid under paragraph (3) and is equal in length to the period beginning with the day upon which assistance was first received under the self-employment route and ending on the last day upon which such assistance was received.

(3) Income calculated pursuant to paragraph (1) shall be treated as paid—

(a) in the case where it is due to be paid before the first benefit week in respect of which the participant or his partner first claims income support following the last day upon which assistance was received under the self-employment route, on the day in the week in which it is due to be paid which corresponds to the first day of the benefit week;

(b) in any other case, on the first day of the benefit week in which it is due to be paid.

(4) This paragraph refers, where applicable in each benefit week in respect of which income calculated pursuant to paragraph (1) is taken into account pursuant to paragraphs (2) and (3), to the sums which would have been disregarded under paragraphs 4 to 6B and 9 of Schedule 8 had the income been earnings.

Deduction in respect of tax for participants in the self-employment route of the Employment Option of the New Deal

39D.—(1) The amount to be deducted in respect of income tax under regulation 39C(1)(a) (calculation of income of participants in the self-employment route of the Employment Option of the New Deal) in respect of the period determined under regulation 39C(2) shall be calculated as if—

(a) the chargeable income is the only income chargeable to tax;

(b) the personal reliefs which are applicable to the person receiving assistance under the self-employment route by virtue of sections 257(1), 257A(1) and 259 of the Income and Corporation Taxes Act 1988 (personal reliefs) are allowable against that income; and

(c) the rate at which the chargeable income less the personal relief is assessable to income tax is the lower rate of tax or, as the case may be, the lower rate and the basic rate of tax.

(2) For the purpose of paragraph (1), the lower rate of tax to be applied and the amount of the personal relief deductible shall, where the period determined under regulation 39C(2) is less than a year, be calculated on a pro rata basis.

(3) In this regulation, “chargeable income” means the monies in the special account at the end of the last day upon which assistance was received under the self-employment route.]

Status:

Point in time view as at 01/06/1998.

Changes to legislation:

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