

SCHEDULE 1

Regulations 20(2) and 22(2)

SUMS TO BE DISREGARDED IN THE CALCULATION OF EARNINGS

1. Any earnings derived from employment which are payable in a country outside the United Kingdom where there is a prohibition against the transfer to the United Kingdom of those earnings.
2. Any earnings of a child or young person.
3. Where a payment of earnings is made in a currency other than sterling, any banking charge or commission payable in converting that payment to sterling.

SCHEDULE 2

Regulation 24(2)

SUMS TO BE DISREGARDED IN THE CALCULATION
OF INCOME OTHER THAN EARNINGS

1. Any amount paid by way of tax on income which is taken into account under regulation 24 (calculation of income other than earnings).
2. Any payment in respect of any expenses incurred by a claimant who is—
 - (a) engaged by a charitable or voluntary body; or
 - (b) a volunteer,if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under regulation 26(4) (notional income).
3. Any housing benefit or income support.
4. Any mobility allowance.
5. Any concessionary payment made to compensate for the non-payment of—
 - (a) any payment specified in paragraph 4 or 7;
 - (b) income support.
6. Any mobility supplement or any payment intended to compensate for the non-payment of such a supplement.
7. Any payment which is—
 - (a) an attendance allowance under section 35 of the Social Security Act(1);
 - (b) an increase of disablement pension under sections 61 or 63 of that Act(2);
 - (c) a payment made under regulations made in exercise of the power conferred by section 159(3)(b) of that Act;
 - (d) an increase of allowance payable in respect of constant attendance under section 5 of the Industrial Injuries and Diseases (Old Cases) Act 1975(3);
 - (e) payable by virtue of articles 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983(4) or any analogous payment; or
 - (f) a payment based on need for attendance which is paid as part of a war disablement pension.

(1) 1975 c. 14; section 35 was amended by the National Health Service Act 1977 (c. 49) Schedule 15 paragraph 63, and by the Social Security Act 1979 (c. 18) section 2 and by the Social Security Act 1980 (c. 30) Schedule 1 Part II paragraph 8.

(2) Subsections (3) and (4) of section 61 were added by the Social Security Act 1986 (c. 50) section 39 and Schedule 3 paragraph 6.

(3) 1975 c. 16.

(4) S.I.1983/686, amended by S.I. 1983/1164 and 1984/1675.

Status: This is the original version (as it was originally made).

8. Any payment to the claimant as holder of the Victoria Cross or of the George Cross or any analogous payment.

9. Any sum in respect of a course of study attended by a child or young person payable by virtue of regulations made under section 81 of the Education Act 1944⁽⁵⁾ (assistance by means of scholarship or otherwise), or by virtue of section 2(1) of the Education Act 1962⁽⁶⁾ (awards for courses of further education) or section 49 of the Education (Scotland) Act 1980⁽⁷⁾ (power to assist persons to take advantage of educational facilities).

10. In the case of a student, any sums intended for any expenditure specified in paragraph (2) of regulation 38 (calculation of grant income) necessary as a result of his attendance on his course.

11. In the case of a claimant attending a training course provided under the Adult and Youth Training Programme established under section 2(1) of the Employment and Training Act 1973⁽⁸⁾ or a course at an employment rehabilitation centre established under that section—

- (a) any travelling expenses reimbursed to the claimant;
- (b) if he receives an allowance under section 2(2)(d) of that Act such amount, if any, of that allowance expressed to be a living away from home allowance.

12. Any Job Start Allowance payable pursuant to arrangements made under section 2(1) of the Employment and Training Act 1973.

13. Subject to paragraph 29, £5 of any charitable payment or of any voluntary payment made or due to be made, whether or not so made, at regular intervals other than a payment which is made by a person for the maintenance of any member of his family or his former partner or of his children; and, for the purposes of this paragraph, where a number of such charitable or voluntary payments fall to be taken into account in any one week they shall be treated as though they were one such payment.

14. Subject to paragraph 29, £5 of any of the following, namely—

- (a) war disablement pension or war widow's pension or a payment made to compensate for the non-payment of such a pension;
- (b) a pension paid under the social security scheme of a country outside Great Britain and which either—
 - (i) is analogous to a war disablement pension; or
 - (ii) is paid to a war widow in respect of a person's death but is otherwise analogous to such a pension;
- (c) a pension paid under any special provision made by the law of the Federal Republic of Germany or any part of it, or of the Republic of Austria, to victims of National Socialist persecution.

15. Any child benefit under Part I of the Child Benefit Act 1975⁽⁹⁾.

16.—(1) Any income derived from capital to which the claimant is, or is treated under regulation 35 (capital jointly held) as, beneficially entitled but, subject to sub-paragraph (2), not income derived from capital disregarded under paragraph 1, 2, 4, 6 or 13 of Schedule 3.

(2) Income derived from capital disregarded under paragraph 2 or 4 of Schedule 3 but only to the extent of any mortgage repayments and payment of rates made in respect of the dwelling or premises in the period during which that income accrued.

(5) 1944 c. 31; section 81 was amended by S.I. 1984/490.

(6) 1962 c. 12; section 2(1) was substituted by section 19 of, and Schedule 5 to, the Education Act 1980 (c. 20).

(7) 1980 c. 44.

(8) 1973 c. 50; section 2 was amended by sections 9 and 11 of Schedule 2 Part II paragraph 9 and Schedule 3 of the Employment and Training Act 1981 (c. 57).

(9) 1975 c. 61.

17. Where a person receives income under an annuity purchased with a loan which satisfies the following conditions—

- (a) that the loan was made as part of a scheme under which not less than 90 per cent of the proceeds of the loan were applied to the purchase by the person to whom it was made of an annuity ending with his life or with the life of the survivor of two or more persons (in this paragraph referred to as “the annuitants”) who include the person to whom the loan was made;
- (b) that the interest on the loan is payable by the person to whom it was made or by one of the annuitants;
- (c) that at the time the loan was made the person to whom it was made or each of the annuitants had attained the age of 65;
- (d) that the loan was secured on a dwelling in Great Britain and the person to whom the loan was made or one of the annuitants owns an estate or interest in that dwelling; and
- (e) that the person to whom the loan was made or one of the annuitants occupies the dwelling on which it was secured as his home at the time the interest is paid,

the amount, calculated on a weekly basis equal to—

- (i) where, or insofar as, section 26 of the Finance Act 1982⁽¹⁰⁾ (deduction of tax from certain loan interest) applies to the payments of interest on the loan, the interest which is payable after deduction of a sum equal to income tax on such payments at the basic rate for the year of assessment in which the payment of interest becomes due;
- (ii) in any other case the interest which is payable on the loan without deduction of such a sum.

18. Any payment made to the claimant by a member of his household as a contribution towards his living and accommodation costs except a payment to which paragraph 19 or regulation 21(2) or 24(3) (earnings of self-employed earners and calculation of income other than earnings) applies.

19. Where the claimant occupies a dwelling as his home which is also occupied by a person other than one to whom paragraph 18 refers or one who is provided with board and lodging accommodation and that person is contractually liable to make payments in respect of his occupation of the dwelling to the claimant—

- (a) £4 of any payment made by that person; and
- (b) a further £6.70, where that payment is inclusive of an amount for heating.

20. Any income in kind.

21. Any income which is payable in a country outside the United Kingdom where there is a prohibition against the transfer to the United Kingdom of that income.

22.—(1) Any payment made to the claimant in respect of a child or young person who is a member of his family—

- (a) in accordance with a scheme approved by the Secretary of State under section 50(4) of the Adoption Act 1958⁽¹¹⁾, or as the case may be, section 51 of the Adoption (Scotland) Act 1978⁽¹²⁾ (schemes for payments of allowances to adopters);

⁽¹⁰⁾ 1982 c. 39.

⁽¹¹⁾ 1958 (7—8 Eliz 2) c.5 section 50(4) was added by section 32 of the Children Act 1975 (c. 72).

⁽¹²⁾ 1978 c. 28.

Status: This is the original version (as it was originally made).

- (b) which is a payment made by a local authority in pursuance of section 34(6) or, as the case may be, section 50 of the Children Act 1975(13) (contributions to a custodian towards the cost of the accommodation and maintenance of a child),

to the extent specified in sub-paragraph (2).

(2) In the case of a child or young person—

- (a) to whom regulation 27(2) applies (capital in excess of £3,000), the whole payment;
- (b) to whom that regulation does not apply, so much of the weekly amount of the payment as exceeds the credit in respect of that child or young person under Schedule 4.

23. Any payment made by a local authority to the claimant with whom a person is boarded out by virtue of arrangements made under section 21(1)(a) of the Child Care Act 1980(14) or, as the case may be, section 12 of the Social Work (Scotland) Act 1968(15) or by a voluntary organisation under section 61 of the 1980 Act or by a care authority under regulation 9 of the Boarding Out and Fostering of Children (Scotland) Regulations 1985(16) (provision of accommodation and maintenance for children in care).

24. Any payment made by a health authority, local authority or voluntary organisation to the claimant in respect of a person who is not normally a member of the claimant's household but is temporarily in his care.

25. Any payment made under section 1 of the Child Care Act 1980 (duty of local authorities to promote welfare of children) or, as the case may be, section 12 of the Social Work (Scotland) Act 1968.

26. Any payment of income which under regulation 31 (income treated as capital) is to be treated as capital.

27. Any statutory sick pay under Part I of the Social Security and Housing Benefits Act 1982 or statutory maternity pay under Part V of the Act where the claimant has not been in receipt of either for a continuous period of 13 weeks or more.

28. Any payment under paragraph 2 of Schedule 6 to the Act (pensioners' Christmas bonus).

29. The total of a claimant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under regulation 10(2) (calculation of income and capital of members of claimant's family and of a polygamous marriage) to be disregarded under regulation 39(2)(b) (calculation of covenant income where a contribution assessed) and paragraphs 13 and 14, shall in no case exceed £5 per week.

30. Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.

SCHEDULE 3

Regulation 29(2)

CAPITAL TO BE DISREGARDED

1. The dwelling, together with any garage, garden and outbuildings, normally occupied by the claimant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling

(13) 1975 c. 72, as amended by section 64 of the Domestic Proceedings and Magistrates' Courts Act 1978 (c. 22).

(14) 1980 c. 5, amended by section 9, Schedule 2, paragraph 49 of the Health and Social Services and Social Security Adjudications Act 1983 (c. 41).

(15) 1968 c. 49.

(16) S.I. 1985/1799.

is situated; but, notwithstanding regulation 10 (calculation of income and capital of members of claimant's family and of a polygamous marriage), only one dwelling shall be disregarded under this paragraph.

2. Any premises acquired for occupation by the claimant which he intends to occupy within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the claimant to obtain possession and commence occupation of the premises.

3. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the claimant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the claimant to complete the purchase.

4. Any premises occupied in whole or in part by a partner or relative (that is to say any close relative, grandparent, grandchild, uncle, aunt, nephew or niece) of any member of the family, where that person is aged 60 or over or has been incapacitated for a continuous period of at least 13 weeks immediately preceding the date of the claim.

5. Any reversionary interest.

6. The assets of any business owned in whole or in part by the claimant and for the purposes of which he is engaged as a self-employed earner or, if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

7. Any sum attributable to the proceeds of sale of any asset of such a business which is re-invested or to be re-invested in the business within 13 weeks of the date of sale or such longer period as may be reasonable to allow for the re-investment.

8. Any arrears of, or any concessionary payment made to compensate for arrears due to non-payment of—

- (a) any payment specified in paragraphs 4, 6 or 7 of Schedule 2;
- (b) an income-related benefit or supplementary benefit under the Supplementary Benefits Act 1976⁽¹⁷⁾, family income supplement under the Family Income Supplements Act 1970⁽¹⁸⁾ or housing benefit under Part II of the Social Security and Housing Benefits Act 1982⁽¹⁹⁾,

but only for a period of 52 weeks from the date of the receipt of the arrears or of the concessionary payment.

9. Any sum—

- (a) paid to the claimant in consequence of damage to, or loss of, the home or any personal possession and intended for its repair or replacement; or
- (b) acquired by the claimant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvements to the home,

which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to enable the claimant to effect the repairs, replacement or improvements.

10. Any sum—

- (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985⁽²⁰⁾ or section 338(1) of the Housing (Scotland) Act 1987⁽²¹⁾ as a condition of occupying the home;

⁽¹⁷⁾ 1976 c. 71.

⁽¹⁸⁾ 1970 c. 55.

⁽¹⁹⁾ 1982 c. 24.

⁽²⁰⁾ 1985 c. 69.

⁽²¹⁾ 1987 c. 26.

Status: This is the original version (as it was originally made).

- (b) which was so deposited and which is to be used for the purchase of another home, for the period of 26 weeks or such longer period as is reasonable in the circumstances to complete the purchase.

11. Any personal possessions except those which have been acquired by the claimant with the intention of reducing his capital in order to secure entitlement to family credit or to increase the amount of that benefit.

12. The value of the right to receive any income under an annuity and the surrender value (if any) of such an annuity.

13.—(1) Where the funds of a trust are derived from a payment made in consequence of any personal injury, the value of the trust fund and the value of the right to receive any payment under that trust, for a period of 2 years or such longer period as is reasonable in the circumstances beginning—

- (a) if, at the date of the payment the claimant or his partner is in receipt of an income-related benefit, on that date;
- (b) in any other case, on the date on which an income-related benefit is first payable to the claimant or his partner after the date of that payment;

but, for the purposes of regulations 27(1) and (3) and 46(4) (modification in respect of children and young persons, and determination of appropriate maximum family credit) in calculating the capital of a child or young person there shall be no limit as to the period of disregard under this paragraph.

(2) For the purposes of sub-paragraph (1) any reference to an income-related benefit shall be construed as if it included a reference to family income supplement under the Family Income Supplements Act 1970 or supplementary benefit under the Supplementary Benefits Act 1976.

14. The value of the right to receive any income under a life interest or from a liferent.

15. The value of the right to receive any income which is disregarded under paragraph 1 of Schedule 1 or 21 of Schedule 2.

16. The surrender value of any policy of life insurance.

17. Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.

18. Any payment made under section 1 of the Child Care Act 1980 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 (duty of local authorities to promote welfare of children).

19. Any social fund payment.

20. Any refund of tax which falls to be deducted under section 26 of the Finance Act 1982(22) (deductions of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.

21. Any capital which by virtue of regulation 25 (capital treated as income) is to be treated as income.

22. Where a payment of capital is made in currency other than sterling, any banking charge or commission payable in converting that payment to sterling.

(22) 1982 c. 39.

SCHEDULE 4

Regulation 46

DETERMINATION OF MAXIMUM FAMILY CREDIT:
ADULT, CHILD AND YOUNG PERSON CREDITS

| (1)Adult, child, young person | (2)Amount of credit |
|---|---------------------|
| 1. Adult. | £32.10. |
| 2. Child— | |
| (a) (a) aged less than 11 years; | (a) (a) £6.05; |
| (b) (b) aged not less than 11 but less than 16 years. | (b) (b) £11.40. |
| 3. Young person— | |
| (a) (a) aged not less than 16 but less than 18 years; | (a) (a) £14.70; |
| (b) (b) aged not less than 18 but less than 19 years. | (b) (b) £21.35. |