

## SCHEDULE 1

### CALCULATION OF N AND M

#### PART II

#### BENEFIT PAYMENTS

6.—(1) The benefit payments to be taken into account in calculating or estimating N and M shall be determined in accordance with this Part.

(2) “Benefit payments” means any benefit payments under the Contributions and Benefits Act except amounts to be disregarded by virtue of Schedule 2.

(3) The amount of any benefit payment to be taken into account shall be determined by reference to the rate of that benefit applicable at the effective date.

7.—(1) Where a benefit payment under the Contributions and Benefits Act includes an adult or child dependency increase—

- (a) if that benefit is payable to a parent, the income of that parent shall be calculated or estimated as if it did not include that amount;
- (b) if that benefit is payable to some other person but includes an amount in respect of the parent, the income of the parent shall be calculated or estimated as if it included that amount.

(2) Subject to sub-paragraph (3), payments to a person by way of family credit shall be treated as the income of the parent who has qualified for them by his engagement in, and normal engagement in, remunerative work.

(3) Subject to sub-paragraphs (4) and (5), where family credit is payable and the amount which is payable has been calculated by reference either to the weekly earnings of the absent parent and another person or the parent with care and another person—

- (a) if during the period which is used to calculate his earnings under paragraph 2 or, as the case may be, paragraph 5, the weekly earnings of that parent exceed those of the other person, the amount payable by way of family credit shall be treated as the income of that parent;
- (b) if during that period the normal weekly earnings of that parent equal those of the other person, half of the amount payable by way of family credit shall be treated as the income of that parent; and
- (c) if during that period the normal weekly earnings of that parent are less than those of that other person, the amount payable by way of family credit shall not be treated as the income of that parent.

(4) Where—

- (a) family credit (calculated, as the case may be, by reference to the weekly earnings of the absent parent and another person or the parent with care and another person) is in payment; and
- (b) not later than the effective date either or both the persons by reference to whose engagement and normal engagement in remunerative work that payment has been calculated has ceased to be so employed,

half of the amount payable by way of family credit shall be treated as the income of the parent in question.

(5) Where—

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

- (a) family credit is in payment; and
- (b) not later than the effective date the person or, if more than one, each of the persons by reference to whose engagement, and normal engagement, in remunerative work that payment has been calculated is no longer the partner of the person to whom that payment is made,

the payment in question shall only be treated as the income of the parent in question where he is in receipt of it.