
STATUTORY INSTRUMENTS

1998 No. 1174

**The Social Security (Miscellaneous
Amendments) (No. 4) Regulations 1998**

Amendment of the Jobseeker's Allowance Regulations

3.—(1) The Jobseeker's Allowance Regulations shall be amended in accordance with the following paragraphs of this regulation.

(2) For paragraph (1)(a)(ii)(aa) of regulation 75^{M1} there shall be substituted the following sub-head—

“(aa) the Employment Option of the New Deal, being a programme which lasts for any individual for up to 26 weeks and which includes for that individual—

(i) employed earner's employment, training and support; or

(ii) assistance in pursuing self-employed earner's employment;”.

(3) After regulation 88 there shall be inserted the following regulation—

“ Income of participants in the self-employment route of the Employment Option of the New Deal

88A. Chapters II, III, IV, V, VII and VIII of this Part and regulations 131 to 136, 138 and 139 shall not apply to any income which is to be calculated in accordance with Chapter IVA of this Part (participants in the self-employment route of the Employment Option of the New Deal).”.

(4) After regulation 102 there shall be inserted the following Chapter—

“CHAPTER IVA

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

Interpretation

102A. 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);

“special account” means, where a person was carrying on a commercial activity in respect of which assistance was 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.

Status: Point in time view as at 01/01/2014.

Changes to legislation: There are currently no known outstanding effects for the The Social Security (Miscellaneous Amendments) (No. 4) Regulations 1998, Section 3. (See end of Document for details)

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

102B. 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

102C.—(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 102D (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.

(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 a jobseeker's allowance 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 5 to 8, 11 and 12 of Schedule 6 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

102D.—(1) The amount to be deducted in respect of income tax under regulation 102C(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 102C(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^{M2} (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 102C(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."

Marginal Citations

M1 Regulation 75 was substituted by S.I.1997/2863.

M2 1988 c. 1; sections 257 to 257F were substituted for section 257 by section 33 of the Finance Act 1988 (c. 39); section 257 was amended by section 74(2) of, and Schedule 20 and Part V of Schedule 41 to, the Finance Act 1996 (c. 8) and by section 55(2) of the Finance Act 1997 (c. 16); section 259 was amended by sections 30 and 35 of the Finance Act 1988 and section 20 of the Finance (No. 2) Act 1992 (c. 48), section 77 of, and paragraph 6 of Schedule 8 to, the Finance Act 1994 (c. 9) and Schedule 20 and Part V of Schedule 41 to the Finance Act 1996 (c. 8).

Status:

Point in time view as at 01/01/2014.

Changes to legislation:

There are currently no known outstanding effects for the The Social Security (Miscellaneous Amendments) (No. 4) Regulations 1998, Section 3.