

SCHEDULE 3

PAYMENTS TO BE DISREGARDED IN THE CALCULATION OF EARNINGS FOR THE PURPOSES OF EARNINGS-RELATED CONTRIBUTIONS

PART VII

PAYMENTS IN RESPECT OF TRAINING AND SIMILAR COURSES

Payments in respect of training and similar payment disregarded

1. The training payments and vouchers mentioned in this Part are disregarded in the calculation of an employed earner's earnings.

[^{F1}Paragraphs 5 to 9][^{F1}paragraphs 5 to 8] do not apply to Northern Ireland.

Textual Amendments

- F1** Words in Sch. 3 Pt. VII para. 1 substituted (N.I.) (3.10.2005) by [The Social Security \(Contributions\) \(Amendment No. 5\) Regulations 2005 \(S.I. 2005/2422\)](#), regs. 1, **2(2)**

Work-related training

2. A payment of, or contribution towards, expenditure incurred on providing work-related training which, by virtue of [^{F2}sections 250 to 254 of ITEPA 2003 (exemption for work-related training)], is not to be taken as [^{F3}general earnings] of the office or employment in connection with which it is provided.

Textual Amendments

- F2** Words in sch. 3 para. 2 substituted (6.4.2004) by [The Social Security \(Contributions, Categorisation of Earners and Intermediaries\) \(Amendment\) Regulations 2004 \(S.I. 2004/770\)](#), regs. 1(1), **28(5)(a)(i)**
- F3** Words in sch. 3 para. 2 substituted (6.4.2004) by [The Social Security \(Contributions, Categorisation of Earners and Intermediaries\) \(Amendment\) Regulations 2004 \(S.I. 2004/770\)](#), regs. 1(1), **28(5)(a)(ii)**

Education and training funded by employers

3. A payment in respect of expenditure which, by virtue of [^{F4}section 255 of ITEPA 2003 (exemption for contributions to individual learning account training)], is not to be taken as [^{F5}general earnings] of the office or employment in connection with which it is provided.

Textual Amendments

- F4** Words in sch. 3 para. 3 substituted (6.4.2004) by [The Social Security \(Contributions, Categorisation of Earners and Intermediaries\) \(Amendment\) Regulations 2004 \(S.I. 2004/770\)](#), regs. 1(1), **28(5)(b)(i)**
- F5** Words in sch. 3 para. 3 substituted (6.4.2004) by [The Social Security \(Contributions, Categorisation of Earners and Intermediaries\) \(Amendment\) Regulations 2004 \(S.I. 2004/770\)](#), regs. 1(1), **28(5)(b)(ii)**

Changes to legislation: There are currently no known outstanding effects for the The Social Security (Contributions) Regulations 2001, PART VII. (See end of Document for details)

New Deal 50plus: employment grant and training credit

4. A payment to a person, as a participant in the scheme arranged under section 2(2) of the Employment and Training Act 1973 and known as New Deal 50plus, of an employment credit or a training grant under that scheme.

Retraining courses for recipients of jobseeker's allowance

5. A payment to a person as a participant in a scheme of the kind mentioned in section 60(1) of the Welfare Reform and Pensions Act 1999 (special schemes for claimants for jobseeker's allowances)^{F6}.

Textual Amendments

F6 1999 c. 30.

Payments to Jobmatch participants

6. A payment made to a participant in a Jobmatch Scheme (including a pilot) arranged under section 2(1) of the Employment and Training Act 1973^{F7} in his capacity as such.

Textual Amendments

F7 1973 c. 50. Section 2 was substituted by section 25(1) of the [Employment Act 1988 \(c. 19\)](#).

Vouchers provided to Jobmatch participants

7. A payment by way of the discharge of any liability by the use of a voucher given to a participant in a Jobmatch Scheme (including a pilot), arranged under section 2(1) of the Employment and Training Act 1973, in his capacity as such.

[^{F8}Employment Retention and Advancement payments

8. A payment made to a participant in an Employment Retention and Advancement Scheme, arranged under section 2(1) of the Employment and Training Act 1973, in his capacity as such.]

Textual Amendments

F8 Sch. 3 paras. 8, 9, and headings added (1.10.2003) by [The Social Security \(Contributions\) \(Amendment No. 6\) Regulations 2003 \(S.I. 2003/2340\)](#), regs. 1, **2(3)**

[^{F9}Return to Work Credit

9. A payment made to a participant in a Return to Work Credit Scheme, arranged under section 2(1) of the Employment and Training Act 1973 in his capacity as such.]

Textual Amendments

F9 Sch. 3 para. 9 substituted (10.12.2003) by [The Social Security \(Contributions\) \(Amendment No. 7\) Regulations 2003 \(S.I. 2003/2958\)](#), regs. 1(1), **5(3)**

[^{F10}Working Neighbourhoods Pilot

10. A payment made to a participant in a Working Neighbourhoods Pilot, arranged under section 2(1) of the Employment and Training Act 1973, in his capacity as such.

Textual Amendments

F10 Sch. 3 Pt. 7 paras. 10, 11 added (6.4.2004) by [The Social Security \(Contributions, Categorisation of Earners and Intermediaries\) \(Amendment\) Regulations 2004 \(S.I. 2004/770\)](#), regs. 1(1), **28(5)(c)**

In-Work Credit

11. A payment made to a participant in an In-Work Credit scheme, arranged under section 2(1) of the Employment and Training Act 1973, in his capacity as such.]

Textual Amendments

F10 Sch. 3 Pt. 7 paras. 10, 11 added (6.4.2004) by [The Social Security \(Contributions, Categorisation of Earners and Intermediaries\) \(Amendment\) Regulations 2004 \(S.I. 2004/770\)](#), regs. 1(1), **28(5)(c)**

[^{F11}Payments made by employers to earners in full-time attendance at universities &c.

12.—(1) A payment to an employed earner receiving full-time instruction at a university, technical college or similar educational establishment (within the meaning of section 331 of the Taxes Act) if the conditions in sub-paragraphs (2) to (6) are satisfied, but subject to the exclusion in sub-paragraph (7).

(2) The employed earner must have enrolled at the educational establishment for a course lasting at least one academic year at the time when payment is made.

(3) The secondary contributor must require the employed earner to attend the course for an average of at least twenty weeks in an academic year.

(4) The educational establishment—

- (a) must be open to members of the public generally,
- (b) must offer more than one course of practical or academic instruction.

(5) The educational establishment must not be run by—

- (a) the secondary contributor, or a person who would be treated by section 839 of the Taxes Act as connected with him; or
- (b) a trade organisation of which the secondary contributor is a member.

(6) The total amount of earnings payable to the earner in respect of his attendance, including lodging, travelling and subsistence allowances, but excluding any tuition fees, must not exceed [^{F12}£15,480] in respect of an academic year.

(7) This paragraph does not apply to any payment made by the secondary contributor to the employed earner for, or in respect of, work done for the secondary contributor by the earner (whether during vacations or otherwise).

(8) This paragraph has effect in respect of payments made in relation to the academic year beginning on 1st September 2005 and subsequent academic years.

(9) In this paragraph—

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“academic year” means the period beginning on 1st September of one calendar year and ending on 31st August of the following calendar year.

“trade organisation” means an organisation of secondary contributors (in their capacity as employers) the members of which carry on a particular profession or trade for the purposes of which the organisation exists.]

Textual Amendments

- F11** Sch. 3 Pt. VII para. 12 added (with effect in accordance with reg. 1 of the amending S.I.) by [The Social Security \(Contributions\) \(Amendment No. 2\) Regulations 2005 \(S.I. 2005/728\)](#), regs. 1, **4(2)**
- F12** Word in Sch. 3 Pt. VII para. 12(6) substituted (with effect in accordance with reg. 1(b) of the amending S.I.) by [The Social Security \(Contributions\) \(Amendment No. 7\) Regulations 2007 \(S.I. 2007/2401\)](#), regs. 1(a), **2**

[^{F13}Payments exempted from income tax under section 254A of ITEPA 2003

13. A care leaver’s apprenticeship bursary payment which is exempted from income tax under section 254A of ITEPA 2003.]

Textual Amendments

- F13** Sch. 3 Pt. VII para. 13 inserted (E.W.S.) (29.9.2020) by [The Social Security \(Contributions\) \(Amendment No. 4\) Regulations 2020 \(S.I. 2020/923\)](#), regs. 1, **2(2)**

Changes to legislation:

There are currently no known outstanding effects for the The Social Security (Contributions) Regulations 2001, PART VII.