

SCHEDULE 3

RESOURCES

PART 2

PARENTAL CONTRIBUTION

Deductions

6.—(1) For the purposes of determining the income of a student's parent (and, accordingly, the parent's gross income), in computing his taxable income as for the purposes of the Income Tax Acts or for the purposes of the income tax legislation of another member State of the European Community any deductions which fall to be made or exemptions which are permitted—

- (a) by way of personal reliefs provided for in Chapter I of Part VII of the Income and Corporation Taxes Act 1988⁽¹⁾, or where the parent's income is computed as for the purposes of the income tax legislation of another member State, any comparable personal reliefs;
- (b) in respect of any payment made by the parent under covenant;
- (c) in pursuance of any legislation or rule of law with the effect that payments which for the purposes of the law of the United Kingdom are treated as taxable income are not treated as taxable income; or
- (d) without prejudice as aforesaid, of a kind mentioned in sub-paragraph (2),

shall not be made or permitted.

(2) For the purpose of determining a parent's residual income there shall be deducted from his gross income—

- (a) in respect of any person, other than a spouse, child or holder of a statutory award, dependent on the parent during the year for which the contribution falls to be ascertained, the amount by which **£2,415** exceeds the income of that person in that year;
- (b) the gross amount of any sums paid as interest (including interest on a mortgage) in respect of which relief is given under the Income Tax Acts in respect of a loan to the parent, or where the parent's income is computed as for the purposes of the income tax legislation of another member State, the gross amount of any such sums in respect of which relief would be given if that legislation made provision equivalent to the Income Tax Acts;
- (c) the gross amount of any premium or sum relating to a pension (not being a premium payable under a policy of life insurance) in respect of which relief is given under section 266, 273, 619 or 639 of the Income and Corporation Taxes Act 1988, or where the parent's income is computed as for the purposes of the income tax legislation of another member State, the gross amount of any such premium in respect of which relief would be given if that legislation made provision equivalent to the Income Tax Acts;
- (d) where the parents ordinarily live together and one of them is incapacitated, so much of the cost in wages of domestic assistance as does not exceed **£1,895**;
- (e) where a parent whose marriage has terminated either is gainfully employed or is incapacitated, so much of the cost in wages of domestic assistance as does not exceed **£1,895**;

(1) 1988 c. 1.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (f) in respect of additional expenditure incurred by reason of the fact that the parent lives in a place where the cost of living is higher than that cost in the United Kingdom, such sum (if any) as the authority consider reasonable in all the circumstances;
 - (g) in the case of a parent who holds a statutory award, the amount by which the aggregate of his requirements for his ordinary maintenance (ascertained in accordance with Part I of Schedule 2) and **£975** exceeds the sum payable in respect of maintenance in pursuance of that award;
 - (h) any payments made to the parent of the student in pursuance of an order of a competent court for the benefit of a child who is not his child of whom he has custody or care or for whom he provides accommodation;
 - (i) where the parent's income is computed as for the purposes of the income tax legislation of another **Member State**, sums equivalent to any amounts which would not be treated as taxable income if that legislation made provision equivalent to the Income Tax Acts.
- (3) In any case where income is computed as for the purposes of the Income Tax Acts by virtue of paragraph 2(4), there shall be deducted from the parent's gross income sums equivalent to the deductions mentioned in paragraph (b), (c), or (d) of sub-paragraph (2), provided that any sums so deducted shall not exceed the deductions that would be made if the whole of the parent's income were in fact total income for the purposes of the Income Tax Acts.