
STATUTORY INSTRUMENTS

2013 No. 376

The Universal Credit Regulations 2013

PART 6

CALCULATION OF CAPITAL AND INCOME

CHAPTER 2

EARNED INCOME

Employed earnings

55.—(1) This regulation applies for the purposes of calculating earned income from employment under a contract of service or in an office, including elective office (“employed earnings”).

(2) Employed earnings comprise any amounts that are general earnings, as defined in section 7(3) of ITEPA, but excluding—

- (a) amounts that are treated as earnings under Chapters 2 to 11 of Part 3 of ITEPA (the benefits code); and
- (b) amounts that are exempt from income tax under Part 4 of ITEPA.

(3) In the calculation of employed earnings the following are to be disregarded—

- (a) expenses that are allowed to be deducted under Chapter 2 of Part 5 of ITEPA; and
- (b) expenses arising from participation as a service user (see regulation 53(2)).

(4) The following benefits are to be treated as employed earnings—

- (a) statutory sick pay;
- (b) statutory maternity pay;
- (c) ^{F1}... statutory paternity pay;

^{F2}(d)

(e) statutory adoption pay; ^{F3}...

[^{F4}(f) statutory shared parental pay;][^{F5}and

(g) statutory parental bereavement pay.]

[^{F6}(4A) A repayment of income tax or national insurance contributions received by a person from HMRC in respect of a tax year in which the person was in paid work is to be treated as employed earnings unless it is taken into account as self-employed earnings under regulation 57(4).]

(5) In calculating the amount of a person's employed earnings in respect of an assessment period, there are to be deducted from the amount of general earnings or benefits specified in paragraphs (2) to (4)—

- (a) any relievable pension contributions made by the person in that period;

- (b) any amounts paid by the person in that period in respect of the employment by way of income tax or primary Class 1 contributions under section 6(1) of the Contributions and Benefits Act; and
- (c) any sums withheld as donations to an approved scheme under Part 12 of ITEPA (payroll giving) by a person required to make deductions or repayments of income tax under the PAYE Regulations.

Textual Amendments

- F1** Word in reg. 55(4)(c) omitted (5.4.2015) by virtue of [The Shared Parental Leave and Statutory Shared Parental Pay \(Consequential Amendments to Subordinate Legislation\) Order 2014 \(S.I. 2014/3255\)](#), arts. 1(3), **28(4)(a)** (with art. 35(1))
- F2** Reg. 55(4)(d) omitted (5.4.2015) by virtue of [The Shared Parental Leave and Statutory Shared Parental Pay \(Consequential Amendments to Subordinate Legislation\) Order 2014 \(S.I. 2014/3255\)](#), arts. 1(3), **28(4)(b)** (with art. 35(1))
- F3** Word in reg. 55(4)(e) omitted (6.4.2020) by virtue of [The Parental Bereavement Leave and Pay \(Consequential Amendments to Subordinate Legislation\) Regulations 2020 \(S.I. 2020/354\)](#), regs. 1, **28(4)**
- F4** Reg. 55(4)(f) inserted (31.12.2014) by [The Shared Parental Leave and Statutory Shared Parental Pay \(Consequential Amendments to Subordinate Legislation\) Order 2014 \(S.I. 2014/3255\)](#), arts. 1(2), **28(4)(d)**
- F5** Reg. 55(4)(g) and word inserted (6.4.2020) by [The Parental Bereavement Leave and Pay \(Consequential Amendments to Subordinate Legislation\) Regulations 2020 \(S.I. 2020/354\)](#), regs. 1, **28(4)**
- F6** Reg. 55(4A) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Universal Credit and Miscellaneous Amendments \(No.2\) Regulations 2014 \(S.I. 2014/2888\)](#), regs. 1(1), **4(2)**

Changes to legislation:

There are currently no known outstanding effects for the The Universal Credit Regulations 2013, Section 55.