

## SCHEDULES

### SCHEDULE 3

#### Calculation of income

### PART 4

#### Residual income

#### CHAPTER 1

#### Residual income of an eligible student

#### **Calculation of eligible student's residual income**

**10.** — For the purposes of calculating an eligible student's household income under Part 2, the student's residual income is calculated as follows—

The eligible student's taxable income in respect of the current academic year.

*Plus*

Income payable to the eligible student under a pension arrangements order during the current academic year, net of income tax.

*Minus*

The aggregate of the deductions set out in paragraph 11 (unless already deducted for the purposes of determining the student's taxable income).

#### **Deductions for the purpose of calculating residual income of an eligible student**

**11.** — For the purposes of calculating an eligible student's residual income, the deductions are—

*Deduction A*

Remuneration paid to the eligible student in the current academic year for work done during any academic year of the course, but not remuneration in respect of any—

- (a) period of leave taken by the student, or
- (b) other period during which the student is relieved of a duty to attend work,

so that the student may undertake the course.

*Deduction B*

The gross amount of any premium or sum paid by the eligible student during the current academic year in relation to a pension in respect of which—

- (a) relief is given under section 188 of the Finance Act 2004 <sup>M1</sup>, or

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**Changes to legislation:** There are currently no known outstanding effects for the The Education (Student Support) (Wales) Regulations 2018, CHAPTER 1. (See end of Document for details)

- (b) where the student's income is computed for the purposes of the income tax legislation of another member State, relief would be given if that legislation made provision equivalent to the Income Tax Acts,

but not including any sum paid as a premium under a policy of life assurance.

**Marginal Citations**

**M1** 2004 c.12; section 188 was amended by the Finance Act 2007 (c. 11), sections 68 and 114 and Schedules 18, 19 and 27, the Finance Act 2013 (c. 29), section 52 and the Finance Act 2014 (c. 26), Schedule 7.

**Income of eligible student received in currency other than sterling**

**12.**—(1) Where the eligible student receives income in a currency other than sterling, the value of the income is—

- (a) the amount of sterling the eligible student receives for the income, or
- (b) where the student does not convert the income into sterling, the value of the sterling which the income would purchase using the HMRC exchange rate.

(2) The HMRC exchange rate<sup>M2</sup> is the rate published by HM Revenue and Customs for the month corresponding to the month in which the income is received.

**Marginal Citations**

**M2** See <https://www.gov.uk/government/collections/exchange-rates-for-customs-and-vat>.

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