



Statutory Document No. 123/03

THE SOCIAL SECURITY CONTRIBUTIONS AND BENEFITS ACT 1992

THE FAMILY INCOME SUPPLEMENT (GENERAL) (AMENDMENT)  
REGULATIONS 2003

*Approved by Tynwald*                      *19<sup>th</sup> March 2003*

*Coming into operation on 7<sup>th</sup> April 2003*

In exercise of the powers conferred on the Department of Health and Social Security by section 123 and section 128 of the Social Security Contributions and Benefits Act 1992(a) (as that Act has effect in the Isle of Man(b)) and of all other enabling powers, the following Regulations are hereby made:-

**Citation and commencement**

1. These Regulations may be cited as the Family Income Supplement (General) (Amendment) Regulations 2003 and shall come into operation on 7<sup>th</sup> April 2003.

**Amendment of the Family Income Supplement (General) Regulations 1998**

2. Amend the Family Income Supplement (General) Regulations 1998(c) in accordance with the following regulations.

3. In regulation 5(3) (remunerative work) -

- (a) in sub-paragraph (a) for "paragraph 2 of Schedule 2" substitute "paragraph 26 of Schedule 2"; and
- (b) in sub-paragraph (b) for "paragraph 21 of Schedule 2" substitute "paragraph 43 of Schedule 2".

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(a) 1992 c.4; (b) S.D. 505/94; (c) S.D. 363/98.

Price: £2.80    Band: D

*Family income supplement entitlement of those living with and caring for a "disabled adult"*

4. In paragraph (1)(b) of regulation 7 (persons of a prescribed description) -

- (a) for "invalid care allowance" substitute "a carer's allowance"; and
- (b) omit "and the claimant is under the age of 65".

*Calculation of income of a person claiming family income supplement  
and incurring child care charges*

5. In regulation 14 (calculation of weekly income of family income supplement claimants)

- (a) in paragraph (1)(c) after "paragraph (2)" insert "or (2A)";
- (b) in paragraph (2) -
  - (i) at the start of that paragraph insert "In the case of a claimant to whom regulation 52(1)(b) does not apply,"
  - (ii) in sub-paragraph (a) for "£66.95" substitute "£69.40", and
  - (iii) in sub-paragraph (b) for "£108.60" substitute "£112.50"; and
- (c) after paragraph (2) insert -

"(2A) In the case of a claimant to whom regulation 52(1)(b) applies (the claimant or (as the case may be) the claimant's partner (or both of them) work not less than 24 hours per week), the maximum deduction to which paragraph (1)(c) above refers shall be -

- (a) where the claimant's family includes only one child in respect of whom relevant child care charges are paid, £100.00 per week;
- (b) where the claimant's family includes more than one child in respect of whom relevant child care charges are paid, £162.00 per week."

*Miscellaneous amendments*

6. In regulation 26(3) (earnings of self-employed earners) for "paragraph 21 of Schedule 2" substitute "paragraph 43 of Schedule 2".

7. In regulation 31(2)(d) (notional income) for "paragraph 33(a) of Schedule 3" substitute "paragraph 37(a) of Schedule 3".

8. In regulation 32(1) and (3) (modification in the calculation of income and capital in respect of children, young persons and disabled adults) for "£10,000" substitute "£11,000".

9. In regulation 36(4) (income treated as capital) for "paragraph 1, 1A, 2, 4, 6, 12 or 24 to 28 of Schedule 3" substitute "paragraph 1 to 4, 10, 20 or 24 of Schedule 3".

10. In paragraphs (1)(c) and (2)(e) of regulation 39 (notional capital) for "paragraph 33(a) of Schedule 3" substitute "paragraph 37(a) of Schedule 3".

11. In regulation 42(1) (calculation of tariff income from capital) for "£10,000" (in each place) substitute "£11,000".

*Students' income*

12. In regulation 44 (calculation of grant income) -

(a) for paragraph (1) substitute -

"(1) The amount of a student's weekly grant income to be taken into account shall be -

(a) the whole of his apportioned weekly grant income less £27.55, where that gross amount is more than £27.55; or

(b) nil, where it is not."; and

(b) omit paragraphs (2) and (3).

13. For regulation 45 including its heading (calculation of covenant income where a contribution is assessed) substitute the following -

**"Calculation of covenant income where a contribution is assessed or is not assessed**

45. (1) Where a student is in receipt of income by way of a grant during a period of study, the amount of his covenant income to be taken into account for that period shall be -

(a) where a contribution has been assessed, the whole of his covenant income less the amount of the contribution;

(b) where a contribution has not been assessed, the whole of his covenant income.

(2) A student's covenant income shall be apportioned -

(a) in a case where it is attributable to the period of study, equally between the weeks in that period;

(b) in any other case, equally between the weeks in the period in respect of which it is payable."

14. For regulation 46 including its heading (covenant income where no grant income or no contribution is assessed) substitute -

**"Covenant income where no grant income is assessed**

46. Where a student is not in receipt of income by way of a grant, the amount of his weekly covenant income shall be -

- (a) his weekly apportioned covenant income less £27.55, where that gross amount is more than £27.55; and
- (b) nil, where it is not.”.

15. In regulation 47 (amounts to be disregarded under Schedule 2 to the Family Income Supplement Regulations) -

- (a) for “paragraph 11 of Schedule 2” substitute “paragraph 24 of Schedule 2”.
- (b) omit all the words after “and any other income”.

16. For regulation 48 (other amounts to be disregarded) substitute -

“48. For the purpose of ascertaining weekly income other than grant income and covenant income, any amount or amounts (as apportioned equally between the weeks of the student’s period of study) which an adjudication officer is satisfied are intended for any expenditure necessary as a result of the student’s attendance on his course -

- (a) shall be disregarded; but
- (b) only if, and to the extent that, the necessary expenditure exceeds (or is likely to exceed) £27.55.”.

*Applicable housing costs*

17. For regulation 54 (conditions to be satisfied for housing costs to be applicable) substitute -

“54. (1) The weekly prescribed amount of housing costs specified in Part I of Schedule 5 shall, for the purposes of this regulation, be applicable to a claimant who satisfies the condition specified in paragraphs (2) to (5) which is appropriate to him.

- (2) The condition is that the claimant is resident in public sector housing and -
  - (a) rent under regulation 56 alone; or
  - (b) rent under regulation 56 and any amount under regulation 59 (miscellaneous outgoings, including general rates),

is applicable to him.

- (3) The condition is that the claimant is resident in private sector housing and -
    - (a) rent under regulation 56 alone; or
    - (b) rent under regulation 56 and any amount under regulation 59 (miscellaneous outgoings, including general rates),
- is applicable to him.

- (4) The condition is that the claimant is resident in private sector housing and -

- (a) loan interest payments under regulation 57 (loans for the purchase of a home), or
- (b) loan interest payments under regulation 57 and any amount under regulation 59 (miscellaneous outgoings, including general rates),

is applicable to him.

(5) The condition is that the claimant is resident in private sector housing and an amount under regulation 59 (miscellaneous outgoings, including general rates) alone is applicable to him.

(6) In paragraph (2) "public sector housing" means housing owned by -

- (a) the Department;
- (b) the Department of Local Government and the Environment;
- (c) a local authority; or
- (d) an approved housing association (within the meaning of Part II of the Housing (Miscellaneous Provisions) Act 1976 (an Act of Tynwald)).

(7) In paragraphs (3) to (5) "private sector housing" means housing of a type other than public sector housing (as defined in paragraph (6))."

18. In regulation 62 (reduction in prescribed amounts applicable for certain occupants of the home) in paragraph (1) omit the words ", including those amounts under those regulations which are restricted by regulation 61,".

19. For regulation 63 (prescribed amount for non-householder's contribution) substitute -

**"Prescribed amount for non-householder's contribution**

63. (1) There shall be applicable to a claimant who satisfies the condition specified in paragraph (2), in respect of his contribution to the housing costs of the household of which he is a member, the weekly prescribed amount specified in paragraph 1(7) of Part I of Schedule 5.

(2) The condition is that -

- (a) the claimant is aged not less than 16; and
- (b) regulation 55(1) does not apply to him."

20. In regulation 64 (modifications of prescribed amounts of housing costs of boarders) for "paragraph 1(4)" substitute "paragraph 1(8)".

*Income and capital of persons claiming family income supplement to be disregarded*

21. For Schedule 1 (earnings to be disregarded) substitute the following Schedule -

"SCHEDULE 1

(Regulations 23(2),  
24(2) and 27(2))

*Sums To Be Disregarded In The Calculation Of Earnings*

*Earnings prohibited from being transferred to the Isle of Man*

1. Any earnings derived from employment which are payable in a country outside the Isle of Man where there is a prohibition against the transfer to the Isle of Man of those earnings.

*Earnings of children, young persons and disabled adults*

2. Any earnings of a child, young person or disabled adult.

*Charges for converting earnings payable in a foreign currency into sterling*

3. Where a payment of earnings is made in a currency other than sterling, any banking charge or commission payable in converting that payment to sterling."

22. For Schedule 2 (income other than earnings to be disregarded) substitute the following Schedule -

"SCHEDULE 2

(Regulation 29(2))

*Sums To Be Disregarded In The Calculation Of Income Other Than Earnings*

*Benefits and pensions*

*Attendance allowance, increase of disablement pension, etc.*

1. Any payment which is -
  - (a) an attendance allowance under section 64 of the Contributions and Benefits Act;
  - (b) an increase of disablement pension under section 104 or 105 of that Act;
  - (c) a payment made under regulations made in exercise of the power conferred by section 111(3)(b) of that Act;
  - (d) an increase of allowance payable in respect of constant attendance under section 5 of the Industrial Injuries and Diseases (Old Cases) Act 1975;
  - (e) payable by virtue of articles 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983 or any analogous payment; or
  - (f) a payment based on need for attendance which is paid as part of a war disablement pension.

*Child benefit*

2. Any child benefit under Part IX of the Contributions and Benefits Act.

*Christmas bonus*

3. A Christmas bonus under Part X of the Contributions and Benefits Act.

*Disability living allowance*

4. A disability living allowance under section 71 of the Contributions and Benefits Act.

*Disability working allowance.*

5. A disability working allowance under section 129 of the Contributions and Benefits Act.

*Guardian's allowance*

6. Any guardian's allowance under section 77 of the Contributions and Benefits Act.

*Income support*

7. Income support under Part VII of the Contributions and Benefits Act.

*Income-based jobseeker's allowance*

8. An income-based jobseeker's allowance under the Jobseekers Act 1995.

*Maternity allowance*

9. Any maternity allowance under section 35 of the Contributions and Benefits Act.

*Mobility supplement, etc.*

10. Any mobility supplement or any payment intended to compensate for the non-payment of such a supplement.

*Widowed mother's allowance and widowed parent's allowance*

11. £27.55 of any -
- (a) widowed mother's allowance paid pursuant to section 37 of the Contributions and Benefits Act;
  - (b) widowed parent's allowance paid pursuant to section 39A of the Contributions and Benefits Act.

*Winter bonus*

12. A winter bonus under Part XA of the Contributions and Benefits Act.

*Benefits to which disabled adults are entitled*

13. Any of the following benefits to which a disabled adult is entitled under the Contributions and Benefits Act or the Jobseekers Act 1995 (as the case may be) -
- (a) attendance allowance;
  - (b) disability living allowance;
  - (c) disability working allowance;
  - (d) income support;
  - (e) jobseeker's allowance.

*Concessionary payments made to compensate for the non-payment certain benefits*

14. Any concessionary payment made to compensate for the non-payment of -
- (a) any payment specified in paragraph 1, 4 or 5;
  - (b) income support or an income-based jobseeker's allowance.

*War pensions and war widow's and war widowers' pensions, etc.*

15. Subject to paragraph 25, £27.55 of any of the following, namely -
- (a) a war widow's pension or a war widower's pension;
  - (b) a pension payable to a person as a widow or widower under the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 1983 is so far as that Order is made under the Naval and Marine Pay and Pensions Act 1865 or the Pensions and Yeomanry Pay Act 1884, or is made only under section 12(1) of the Social Security (Miscellaneous Provisions) Act 1977 and any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
  - (c) a payment made to compensate for the non-payment of such a pension as is mentioned in either sub-paragraph (a) or (b) above;
  - (d) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions mentioned in sub-paragraphs (a) to (c) above;
  - (e) a pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany or any part of it, or of the Republic of Austria.
16. Subject to paragraphs 12B and 25, a war disablement pension (except insofar as such pension falls to be disregarded under paragraph 1 or 10);

17. For the purpose of paragraph 12A if the claimant is resident in accommodation -
- (i) registered under section 2 of the Nursing and Residential Homes Act 1988 (an Act of Tynwald); or
  - (ii) pursuant to Part III of the National Assistance (Isle of Man) Act 1951 (an Act of Tynwald),
- the amount to be disregarded shall be £27.55.
18. Any special war widow's payment made under -
- (a) the Naval and Marine Pay and Pensions (Special War Widows Payment) Order 1990 made under section 3 of the Naval and Marine Pay and Pensions Act 1865;
  - (b) the Royal Warrant dated 19<sup>th</sup> February 1990 amending the Schedule to the Army Pensions Warrant 1977;
  - (c) the Queen's Order dated 26<sup>th</sup> February 1990 made under section 2 of the Air Force (Constitution) Act 1917;
  - (d) the Home Guard War Widows Special Payments Regulations 1990 made under section 151 of the Reserve Forces Act 1980;
  - (e) the Orders dated 19<sup>th</sup> February 1990 amending Orders made on 12<sup>th</sup> December 1980 concerning the Ulster Defence Regiment made in each case under section 140 of the Reserve Forces Act 1980; and
  - (f) any analogous payment by the Secretary of State for Defence to any person who is not a person entitled under the provisions mentioned in sub-paragraphs (a) to (e) of this paragraph.
19. Where the claimant is in receipt of any benefit under Parts II, III or V of the Contributions and Benefits Act or pension under the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 1983, any increase in the rate of that benefit arising under Part IV (increases for dependants) or section 106(a) (unemployability supplement) of that Act or the rate of that pension under that Order where the dependant in respect of whom the increase is paid is not a member of the claimant's family.
20. Any supplementary pension under article 29(1A) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 1983 (pensions to widows).
21. In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to widows), the sum specified in paragraph (1)(c) of Schedule 4 to that Scheme.
22. -
- (1) Any payment which is -

- (a) made under any of the Dispensing Instruments to a widow or widower of a person -
    - (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
    - (ii) whose service in such capacity terminated before 31<sup>st</sup> March 1973; and
  - (b) equal to the amount specified in article 29(1A) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 1983 (pensions to widows or widowers).
- (2) In this paragraph "the Dispensing Instruments" means the Order in Council of 19<sup>th</sup> December 1881, the Royal Warrant of 27<sup>th</sup> October 1884 and the Order by His Majesty of 14<sup>th</sup> January 1922 (exceptional grants of pay, non-effective pay and allowances).

*Other income*

*Attendance allowance or travelling allowance paid to local authority members*

23. Any attendance allowance or travelling allowance payable to a member of a local authority under Schedule 2 to the Local Authority Act 1985 (an Act of Tynwald).

*Charitable or voluntary payments*

24. -

- (1) Except where sub-paragraph (2) applies and subject to sub-paragraph (3) and paragraphs 25 and 49, £27.55 of any charitable payment or of any voluntary payment made or due to be made at regular intervals.
- (2) Subject to sub-paragraph (3) and paragraph 49, any charitable payment or voluntary payment made or due to be made at regular intervals which is intended and used for an item other than -
  - (a) food;
  - (b) ordinary clothing or footwear;
  - (c) household fuel; or
  - (d) housing costs,
 of any member of the family.
- (3) Sub-paragraphs (1) and (2) shall not apply to a payment which is made or due to be made by -
  - (a) a former partner of the claimant, or a former partner of any member of the claimant's family; or

- (b) the parent of a child or young person where that child or young person is a member of the claimant's family.
  - (4) For the purposes of sub-paragraph (1) where a number of charitable or voluntary payments fall to be taken into account they shall be treated as though they were one such payment.
  - (5) For the purposes of sub-paragraph (2) the expression "ordinary clothing or footwear" means clothing or footwear for normal daily use, but does not include school uniforms, or clothing or footwear used solely for sporting activities.
25. The total of a claimant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under regulation 11(2) (calculation of income and capital of members of claimant's family and of a polygamous marriage) to be disregarded under paragraph 24(1), shall in no case exceed £27.55 per week, unless the sole disregard is in respect of the income specified in paragraph 15, in which case it shall not exceed £27.55.

*Charity or voluntary work expenses*

26. Any payment in respect of any expenses incurred (or to be incurred) by a claimant who is -
- (a) engaged by a charitable or voluntary organisation; or
  - (b) a volunteer,
- if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under regulation 31(7) (notional income).

*Education*

27. Any sum in respect of a course of study attended by a child or young person payable under section 112 of the Isle of Man Education Act 1949 (an Act of Tynwald).

*Employment expenses, payments-in-kind and occupational pensions*

28. Any payment in respect of expenses to which regulation 22(2) (earnings of employed earners) applies.

*Hospital in-patients*

29. Any payment or repayment made under the National Health Service (Isle of Man) (Expenses in Attending Hospitals) Regulations 1989.

*Housing costs payable to the claimant by another person*

30. Any payment made to the claimant by a person who normally resides with the claimant, which is a contribution towards that person's living and accommodation costs, except where that person is residing with the claimant in circumstances to which paragraph 31 or 32 or regulation 26(2) (earnings of self-employed earners) refers.
31. Where the claimant occupies a dwelling as his home and the dwelling is also occupied by another person and there is a contractual liability to make payments to the claimant in respect of the occupation of the dwelling by that person or a member of his family -
- (a) £4.40 of the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family; and
  - (b) a further £10.15, where the aggregate of any such payments is inclusive of an amount for heating.
32. Where the claimant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for whom such accommodation is provided for the whole or any part of a week, equal to -
- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £22.50, 100% of such payments; or
  - (b) where the aggregate of any such payments exceeds £22.50, £22.50 and 50% of the excess over £22.50.

*Income in kind*

33. Any income in kind.

*Income from capital*

34. -
- (1) Any income derived from capital to which the claimant is, or is treated under regulation 41 (capital jointly held) as, beneficially entitled but, subject to subparagraph (2), not income derived from capital disregarded under paragraph 1 to 3, 5 to 9, 18 and 20 of Schedule 3.
  - (2) Income derived from capital disregarded under paragraph 2, 3 or 5 to 9 of Schedule 3 but only to the extent of any mortgage repayments and payment of rates made in respect of the dwelling or premises in the period during which that income accrued.

*Income treated as capital*

35. Any payment of income which under regulation 36 (income treated as capital) is to be treated as capital.

*Insurance payments paid to the claimant*

36. -

- (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments -
- (a) on a loan which is secured on the dwelling which the claimant occupies as his home; or
  - (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of the Hire-Purchase Acts 1939 - 1973 (Acts of Tynwald).
- (2) A payment referred to in sub-paragraph (1) shall only be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to -
- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (b); and
  - (b) meet any amount due by way of premiums on -
    - (i) that policy; or
    - (ii) in a case to which sub-paragraph (1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the claimant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).

*Payments made to jurors and witnesses*

37. Any payment made to a juror or witness in respect of attendance at court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.
38. In the case of a claimant who is absent from work by reason of jury service, any payment to the claimant in respect of loss of earnings by reason of that jury service.

*Maintenance payments*

39. -

- (1) £17.50 of any payment of maintenance, whether under a court order or not, which is made or due to be made by -

- (a) the claimant's former partner, or the claimant's partner's former partner; or
  - (b) the parent of a child, young person or disabled adult where that child, young person or disabled adult is a member of the claimant's family except where that parent is the claimant or the claimant's partner.
- (2) For the purposes of sub-paragraph (1), where more than one maintenance payment falls to be taken into account in any week, all such payments shall be aggregated and treated as if they were a single payment.

*Overseas income*

- 40. Any income which is payable in a country outside the Isle of Man where there is a prohibition against the transfer to the Isle of Man of that income.
- 41. Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.

*Payments in respect of persons in care*

- 42. Any payment made by the Department to the claimant with whom a person is accommodated by virtue of arrangements made by the Department under section 93 or 95 of the Children and Young Persons Act 1966 (an Act of Tynwald).
- 43. Any payment made by the Department or voluntary organisation to the claimant in respect of a person who is not normally a member of the claimant's household but is temporarily in his care.
- 44. The whole of any assistance provided in accordance with the provisions of section 1 of the Children and Young Persons Act 1969 (an Act of Tynwald).

*Payments made to assist disabled persons to obtain or retain their employment*

- 45. Any payment (other than a training allowance) made, whether by the Department or any other person, under the Disabled Persons (Employment) Act 1946 (an Act of Tynwald) or in accordance with arrangements made under any scheme to assist disabled persons to obtain or retain employment despite their disability.

*Payments to holders of the Victoria Cross or the George Cross*

- 46. Any payment to the claimant as holder of the Victoria Cross or of the George Cross or any analogous payment.

*Sports awards*

- 47. -
- (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).

(2) The items specified for the purposes of sub-paragraph (1) are -

- (a) food;
- (b) ordinary clothing or footwear; or
- (c) household fuel or housing costs,  
of any member of the family.

(3) For the purposes of sub-paragraph (2) -

“food” does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made;

“housing costs” do not include accommodation costs incurred as a consequence of living away from home whilst training for, or competing in, the sport in respect of which the award was made;

“ordinary clothing and footwear” means clothing or footwear for normal daily use but does not include school uniforms or clothing or footwear used solely for sporting activities.

#### *Tax*

48. Any amount paid by way of tax on income which is taken into account under regulation 29 (calculation of income other than earnings).

#### *Trust income*

49. -

(1) Any payment made under the MacFarlane Trust, the MacFarlane (Special Payments) Trust, the MacFarlane (Special Payments) (No. 2) Trust (“the Trusts”), the Fund, the Eileen Trust or the Independent Living Funds.

(2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of -

- (a) that person’s partner or former partner from whom he is not, or where that person has died was not, estranged or divorced;
- (b) any child who is a member of that person’s family or who was such a member and who is a member of the claimant’s family;
- (c) any young person who is a member of that person’s family or who was such a member and who is a member of the claimant’s family; or
- (d) any disabled adult who is a member of that person’s family or who was such a member and who is a member of the claimant’s family.

- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced, which derives from a payment made under any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of -
- (a) the person who is suffering from haemophilia or who is a qualifying person;
  - (b) any child who is a member of that person's family or who was such a member and who is a member of the claimant's family;
  - (c) any young person who is a member of that person's family or who was such a member and who is a member of the claimant's family; or
  - (d) any disabled adult who is a member of that person's family or who was such a member and who is a member of the claimant's family.
- (4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under any of the Trusts to which sub-paragraph (1) refers, where -
- (a) that person has no partner or former partner from whom he is not estranged or divorced, nor any child, young person or disabled adult who is or had been a member of that person's family; and
  - (b) the payment is made either -
    - (i) to that person's parent or step-parent, or
    - (ii) where that person at the date of the payment is a child, a young person, a disabled adult or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,but only for a period from the date of the payment until the end of two years from that person's death.
- (5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under any of the Trusts to which sub-paragraph (1) refers, where -
- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced, nor any child, young person or disabled adult who was or had been a member of his family; and
  - (b) the payment is made either -
    - (i) to that person's parent or step-parent, or

- (ii) where that person at the relevant date was a child, young person, disabled adult or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

- (6) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.
- (7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund and the Eileen Trust.”.

23. For Schedule 3 (capital to be disregarded) substitute -

“SCHEDULE 3

(Regulation 34(2))

*Capital To Be Disregarded*

*The claimant’s current, former and future home, etc.*

*The claimant’s home*

1. The dwelling, together with any garage, garden and outbuildings, normally occupied by the claimant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, but, notwithstanding regulation 11 (calculation of income and capital of members of claimant’s family), only one dwelling shall be disregarded under this paragraph.

*The claimant’s former home following divorce or estrangement*

2. -
- (1) Where a claimant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling.
- (2) In this paragraph “dwelling” includes any garage, garden and outbuildings which were formerly occupied by the claimant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately.

*Premises occupied by the former partner of the claimant as his home*

3. Any premises occupied in whole or in part by the former partner of a claimant as his home; but this provision shall not apply where the former partner is a person from whom the claimant is estranged or divorced.

*The proceeds from the sale of the claimant's former home to be used to purchase a new home for the claimant*

4. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the claimant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the claimant to complete the purchase.

*Premises occupied by a partner or relative of any member of the family as his home who is aged 60 or over or has been incapacitated for at least 13 weeks before the claim*

5. Any premises occupied in whole or in part by a partner or relative (that is to say any close relative, grandparent, grandchild, uncle, aunt, nephew or niece) of any member of the family as his home, where that person is aged 60 or over or has been incapacitated for a continuous period of at least 13 weeks immediately preceding the date of the claim.

*The claimant's former home which he is taking reasonable steps to dispose of*

6. Any premises where the claimant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

*The claimant's future home*

7. Any premises which the claimant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

*The intended future home of the claimant which he is taking steps to obtain possession of*

8. Any premises acquired for occupation by the claimant which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the claimant to obtain possession and commence occupation of the premises.

*The intended future home of the claimant which requires repair or alteration to make it habitable*

9. Any premises which the claimant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the claimant first takes steps to effect those repairs or alterations, or such longer period as is reasonable in the circumstances to enable those repairs or alterations to be carried out and the claimant to commence occupation of the premises.

*The intended future home of the claimant which he does not now occupy because he is living in job-related accommodation*

10. -

- (1) The dwelling, together with any garden, garage and outbuildings, which the claimant intends in due course to occupy as his home but which he currently does not so occupy solely because he resides in living accommodation which is for him job-related.
- (2) Notwithstanding regulation 11, only one dwelling shall be disregarded under this paragraph.
- (3) In sub-paragraph (1) the reference to a dwelling includes any premises which it is impracticable or unreasonable to sell separately from the dwelling.
- (4) For the purposes of sub-paragraph (1) living accommodation is job-related for a claimant if it meets either of the following conditions:

*Condition 1*

The living accommodation is provided for the claimant by reason of his employment, or for his partner (if he has one) by reason of her employment, in any of the following cases -

- (i) where it is necessary for the proper performance of the duties of the employment that the employee should reside in that accommodation;
- (ii) where the accommodation is provided for the better performance of the duties of the employment, and it is one of the kinds of employment in the case of which it is customary for employers to provide living accommodation for employees;
- (iii) where, there being a special threat to the employee's security, special security arrangements are in force and the employee resides in the accommodation as part of those arrangements.

*Condition 2*

The living accommodation is provided for the claimant or his partner (if he has one) under a contract entered into with a person with whom the claimant or his partner is not connected and requiring him or his partner -

- (a) to carry on a particular trade, profession, business or vocation;
- (b) to carry on that trade, profession, business or vocation on premises or other land provided by another person (whether under a tenancy or otherwise); and
- (c) to live either on those premises or on other premises provided by that other person.

- (5) For the purposes of Condition 2 the claimant or his partner (if he has one) is connected with another person ("A") in any of the following circumstances -
- (a) A is a relative, or the partner of a relative, of the claimant or his partner;
  - (b) A is a person with whom the claimant or his partner is carrying on a trade, profession or business in partnership, or the partner or a relative of a person with whom the claimant or his partner is carrying on a trade, profession or business in partnership.
- (6) In sub-paragraph (5) "relative" means brother, sister, ancestor or lineal descendant.

### *Benefits and pensions*

#### *Back to work bonus*

11. The amount of any back to work bonus payable by way of a jobseeker's allowance or income support in accordance with section 26 of the Jobseekers Act 1995, but only for a period of 52 weeks from the date of receipt.

#### *Child maintenance bonus*

12. The amount of any child maintenance bonus payable by way of a jobseeker's allowance or income support in accordance with section 10 of the Child Support Act 1995, but only for a period of 52 weeks from the date of receipt.

#### *Payments in respect of maternity and funeral expenses payments under the Contributions and Benefits Act*

13. Any payment in respect of maternity or funeral expenses made pursuant to Part VIII of the Contributions and Benefits Act.

#### *Arrears of certain benefits or concessionary payments made to compensate for the non-payment of one those benefits*

14. -

- (1) Any arrears of, or any concessionary payment made to compensate for arrears due to non-payment of -
- (a) any payment specified in paragraph 4, 5 or 10 of Schedule 2 (care or mobility-related benefits or payments);
  - (b) family income supplement or any other income-related benefit,  
but only for a period of 52 weeks from the date of the receipt of the arrears or of the concessionary payment.
- (2) In sub-paragraph (1)(b) "any other income-related benefit" has the same meaning as in regulation 39(1A) (notional capital).

## *Trust funds*

### *Life interest and liferents*

15. The value of the right to receive any income under a life interest or from a liferent.

### *Miscellaneous trust funds*

16. -

- (1) Any payment made under the MacFarlane Trust, the MacFarlane (Special Payments) Trust, the MacFarlane (Special Payments) (No. 2) Trust ("the Trusts"), the Fund, the Eileen Trust or the Independent Living Funds.
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under any the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of -
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced;
  - (b) any child who is a member of that person's family or who was such a member and who is a member of the claimant's family;
  - (c) any young person who is a member of that person's family or who was such a member and who is a member of the claimant's family; or
  - (d) any disabled adult who is a member of that person's family or who was such a member and who is a member of the claimant's family.
- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, if either of them has died were not, estranged or divorced, which derives from a payment made under any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of -
- (a) the person who is suffering from haemophilia or who is a qualifying person;
  - (b) any child who is a member of that person's family or who was such a member and who is a member of the claimant's family;
  - (c) any young person who is a member of that person's family or who was such a member and who is a member of the claimant's family; or
  - (d) any disabled adult who is a member of that person's family or who was such a member and who is a member of the claimant's family.

- (4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under any of the Trusts to which sub-paragraph (1) refers, where -
- (a) that person has no partner or former partner from whom he is not estranged or divorced, nor any child, young person or disabled adult who is or had been a member of that person's family; and
  - (b) the payment is made either -
    - (i) to that person's parent or step-parent, or
    - (ii) where that person at the date of the payment is a child, young person or disabled adult or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,but only for a period from the date of the payment until the end of two years from that person's death.
- (5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under any of the Trusts to which sub-paragraph (1) refers, where -
- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced, nor any child, young person or disabled adult who was or had been a member of his family; and
  - (b) the payment is made either -
    - (i) to that person's parent or step-parent, or
    - (ii) where that person at the relevant date was a child, young person or disabled adult or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,but only for a period of two years from the relevant date.
- (6) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any capital resources which derives from any payment of income or capital made under or deriving from any of the Trusts.
- (7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund and the Eileen Trust.

*Trust funds established to make payments to (or in respect of) the sufferers of variant Creutzfeldt-Jakob disease*

17. -

- (1) Subject to sub-paragraph (2), the amount of any trust payment made to a claimant, or a member of a claimant's family, who is -

- (a) a diagnosed person; or
  - (b) the diagnosed person's partner, or the person who was his partner at the date of his death; or
  - (c) a parent of a diagnosed person or a person acting in the place of his parents; or
  - (d) a member of the diagnosed person's family (other than his partner) or a person who was a member of his family (other than his partner) at the date of his death.
- (2) Where a trust payment is made to -
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
  - (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending two years after that date;
  - (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending -
    - (i) two years after that date; or
    - (ii) on the day before the day on which that person ceases full-time education or attains the age of 19,

whichever is the later.
- (3) Subject to sub-paragraph (4), the amount of any payment out of the estate of a person to whom a trust payment has been made which is made to a claimant, or a member of a claimant's family, who is -
- (a) the person who was the diagnosed person's partner at the date of his death; or
  - (b) a parent of a diagnosed person or a person acting in the place of his parents; or
  - (c) a person who was a member of the diagnosed person's family (other than his partner) at the date of his death,
- but only to the extent that such payments do not exceed the total amount of any trust payments made to the person to whom the trust payment had been made.
- (4) Where a payment out of an estate as referred to in sub-paragraph (3) is made to -

- (a) the person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which the payment is made and ending on the date on which that person dies;
- (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which the payment is made and ending two years after that date;
- (c) a person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply for the period beginning on the date on which the payment is made and ending -
  - (i) two years after that date; or
  - (ii) on the day before the day on which that person ceases full-time education or attains the age of 19,

whichever is the later.

- (5) In this paragraph, a reference to a person being a member of the diagnosed person's family at the date of the diagnosed person's death shall include a person who would have been a member of his family but for the diagnosed person being in residential accommodation, a residential care home or a nursing home on that date.

- (6) In this paragraph -

“diagnosed person” means a person who has been diagnosed as suffering from, or who after his death has been diagnosed as having suffered from, variant Creutzfeldt-Jakob disease;

“full-time education” means either -

- (a) full-time attendance on a course of full-time education at a recognised educational establishment as defined in section 147(1) of the Contributions and Benefits Act, or
- (b) full-time education provided otherwise than at a recognised educational establishment, if such education is recognised by an adjudication officer pursuant to section 142(2) of that Act and is not a course of advanced education for the purposes of Chapter VII of Part IV of these Regulations;

“relevant trust” means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeldt-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

“residential accommodation”, “residential care home” and “nursing home” have the meanings given by regulation 2(1) of the Income Support (General) (Isle of Man) Regulations 2000;

“trust payment” means a payment under a relevant trust.

*Personal injury trust funds*

18. Where the funds of a trust are derived from a payment made in consequence of any personal injury to the claimant, the value of the trust fund and the value of the right to receive any payment under that trust.

*Other capital*

*Annuities*

19. The value of the right to receive any income under an annuity and the surrender value (if any) of such an annuity.

*The assets of a claimant's self-employed business*

20. -

- (1) The assets of any business owned in whole or in part by the claimant and for the purposes of which he is engaged as a self-employed earner or, if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.
- (2) The assets of any business owned in whole or in part by the claimant where -
- (a) he has ceased to be engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; and
- (b) he intends to become re-engaged as a self-employed earner in that business as soon as he recovers or is able to be re-engaged in that business;

for a period of 26 weeks from the date on which the claimant last ceased to be engaged in that business, or, if it is unreasonable to expect him to become re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so re-engaged.

21. Any sum attributable to the proceeds of sale of any asset of such a business which is re-invested or to be re-invested in the business within 13 weeks of the date of sale or such longer period as may be reasonable to allow for the re-investment.

*Capital payable by instalments*

22. Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.

*Capital treated as income*

23. Any capital which by virtue of regulation 30 (capital treated as income) or 32(1) (modifications in respect of children, young persons and disabled adults) is to be treated as income.

*Any future interest in property of any kind (other than land or premises in respect of which the claimant has granted a subsisting lease or tenancy)*

24. Any future interest in property of any kind, other than land or premises in respect of which the claimant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.

*Sums paid to the claimant for the repair, improvement or replacement of his home or for the repair or improvement of any other personal possession of his*

25. Any sum -

- (a) paid to the claimant in consequence of damage to, or loss of, the home or any personal possession and intended for its repair or replacement; or
- (b) acquired by the claimant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvements to the home, which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to enable the claimant to effect the repairs, replacement or improvements.

*Earnings or other income payable in a country outside the Isle of Man*

26. The value of the right to receive any income which is disregarded under paragraph 1 of Schedule 1 or 19 of Schedule 2 (earnings or other income payable in a country outside the Isle of Man).

*Foreign currency conversion charges*

27. Where a payment of capital is made in currency other than sterling, any banking charge or commission payable in converting that payment to sterling.

*Life assurance policies*

28. The surrender value of any life policy.

*Compensation payments made to victims of National Socialism*

29. -

- (1) Where a payment has been made to the claimant or his partner by, or on behalf of, a government of a country outside the Isle of Man, either from its own resources or with contributions from any other organisation, by way of compensation for a victim of National Socialism, the amount of that payment.
- (2) In sub-paragraph (1) the reference to a victim of National Socialism is a reference to a person who was required to work as a slave or forced labourer for National Socialists or their sympathisers during the Second World War, or suffered property loss, or suffered injury, or is the parent of a child who died, at the hands of National Socialists or their sympathisers during the Second World War.

*Occupational and personal pension scheme benefits*

30. The value of the right to receive an occupational or personal pension.
31. The value of any funds held under a personal pension scheme or retirement annuity contract.

*Payments in kind made by certain charities, etc.*

32. Any payment in kind made by a charity or under the MacFarlane (Special Payments) Trust, the MacFarlane (Special Payments) (No. 2) Trust, the Fund or the Independent Living (1993) Fund.

*Payments to jurors and witnesses*

33. Any payment made to a juror or witness in respect of attendance at court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.

*Personal possessions*

34. -

- (1) Any personal possessions except those which have been acquired by the claimant with the intention of reducing his capital in order to secure entitlement to family income supplement or any other income-related benefit or to increase the amount of any such benefit to which he is entitled.
- (2) In sub-paragraph (1) "any other income-related benefit" has the same meaning as in regulation 39(1A) (notional income).

*The right to receive rent*

35. The value of the right to receive any rent except where the claimant has a reversionary interest in the property in respect of which rent is due.

*Payments made to assist disabled persons to obtain or retain employment*

36. Any payment (other than a training allowance) made, whether by the Department or any other person, under the Disabled Persons (Employment) Act 1946 (an Act of Tynwald) or in accordance with arrangements made under any scheme to assist disabled persons to obtain or retain employment despite their disability.

*Capital administered on behalf of a person derived from a personal injury award, or from compensation for the death of one or both parents where the person concerned is under the age of 18*

37. Any sum of capital administered on behalf of a person by the High Court where such sum derives from -
  - (a) an award of damages for a personal injury to that person; or

- (b) compensation for the death of one or both parents where the person concerned is under the age of 18.

*Ex-gratia payments to (or in respect of) former prisoners-of-war held by the Japanese during the Second World War*

38. Where an ex-gratia payment of £10,000 has been made, pursuant to the Tynwald resolution dated 20<sup>th</sup> June 2000 for that purpose, in consequence of the imprisonment or internment of -

- (a) the claimant;
- (b) the claimant's partner;
- (c) the claimant's deceased spouse; or
- (d) the claimant's partner's deceased spouse,

by the Japanese during the Second World War, £10,000.

39. Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1<sup>st</sup> February 2001 in consequence of the imprisonment or internment of -

- (a) the claimant;
- (b) the claimant's partner;
- (c) the claimant's deceased spouse; or
- (d) the claimant's partner's deceased spouse,

by the Japanese during the Second World War, £10,000.

*Sports awards*

40. -

(1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).

(2) The items specified for the purposes of sub-paragraph (1) are -

- (a) food;
- (b) ordinary clothing or footwear;
- (c) household fuel; or
- (d) housing costs,

of any member of the family.

- (3) For the purposes of sub-paragraph (2) -

“food” does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made;

“housing costs” do not include accommodation costs incurred as a consequence of living away from home whilst training for, or competing in, the sport in respect of which the award was made;

“ordinary clothing and footwear” means clothing or footwear for normal daily use but does not include school uniforms or clothing or footwear used solely for sporting activities.

*Special war widows' payments*

41. Any arrears of special war widow's payment which is disregarded under paragraph 18 of Schedule 2 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 20, 21 or 22 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.

*Payments to holders of the Victoria Cross or the George Cross*

42. Any payment to the claimant as holder of the Victoria Cross or George Cross.

*Payments made by the Secretary of State for Northern Ireland to the family of a victim of violence*

43. Any ex-gratia payment made by the Secretary of State for Northern Ireland directly to the family of a victim of violence within the meaning given by section 1(4) of the Northern Ireland (Location of Victims' Remains) Act 1999.”.

24. For Schedule 5 (prescribed amounts of housing costs) substitute -

**“SCHEDULE 5**

**Part I**

**Prescribed amounts for housing costs specified in Part VI**

1. The weekly prescribed amounts of housing costs specified in column (2) in the table below shall be the weekly prescribed amounts for the purposes of Part VI of these Regulations.

Table

Column (1) <i>Housing Cost</i>	Column (2) <i>Amount</i>
<i>Public Sector Housing</i>	
(1) Where the claimant satisfies the condition in regulation 54(2);	(1) the full amount of rent under regulation 56 and any amount under regulation 59 for which he is also liable in respect of the property.
<i>Private Sector Housing</i>	
(2) Where the claimant satisfies the condition in regulation 54(3);	(2) the full amount of rent under regulation 56 and any amount under regulation 59 for which he is also liable in respect of the property.
(3) Where the claimant satisfies the condition in regulation 54(4);	(3) the full amount of loan interest payments under regulation 57 (as calculated in accordance with regulation 57A) and any amount under regulation 59 for which he is also liable in respect of the property.
(4) Where the claimant satisfies the condition in regulation 54(5);	<p>(4) the full amount of costs under regulation 59 for which he is liable in respect of the property.</p> <p>(5) The amount of housing costs under sub-paragraphs (2) to (4) of this column are subject to the following maxima -</p> <p>(a) in the case of a married couple neither member of which is responsible for and living in the same household as a child, young person or disabled adult, £80.00;</p>

<p style="text-align: center;"><i>Maintenance and insurance</i></p> <p>(6) Where the claimant satisfies the condition in regulation 58;</p> <p style="text-align: center;"><i>Non-householder's contribution</i></p> <p>(7) The prescribed amount applicable for the purposes of regulation 63(1);</p> <p style="text-align: center;"><i>Board and lodgings</i></p> <p>(8) The prescribed amount applicable for the purposes of regulation 64(1);</p>	<p>(b) in the case of a lone parent or a married or unmarried couple either member of which is (or both members of which are) responsible for and living in the same household as only one child, young person or disabled adult, £95.00;</p> <p>(c) in the case of a lone parent or a married or unmarried couple either member of which is (or both members of which are) responsible for and living in the same household as only two children, young persons or disabled adults or only one person from each of any two such categories of person, £105.00;</p> <p>(d) in the case of a lone parent or a married or unmarried couple either member of which is (or both members of which are) responsible for and living in the same household as three or more children, young persons or disabled adults or three or more persons in total from any combination of those categories of person, £115.00.</p> <p>(6) £8.20</p> <p>(7) £10.45.</p> <p>(8) £35.00."</p>
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Made

17/02/2003

*Clare Christian*

Minister for Health and Social Security

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### EXPLANATORY NOTE

(This note is not part of the Regulations)

1. These Regulations, which shall come into effect on 7<sup>th</sup> April 2003, make a number of miscellaneous amendments to the Family Income Supplement (General) Regulations 1998 ("the Family Income Supplement Regulations"), as follows.

#### *Introduction*

2. Regulations 1 and 2 introduce the Regulations.

#### *Relaxation of the qualifying conditions for family income supplement for those caring for a "disabled adult"*

- 3.1 Since April 2001, single persons living with and responsible for a disabled adult - rather than a child or young person - may qualify for family income supplement if they satisfy the other qualifying conditions for that benefit.

A "disabled adult" is defined in the legislation as a person aged 16 or over who is entitled to either the middle or the highest rate of the care component of disability living allowance or to attendance allowance.

However, a person may only qualify for family income supplement on those grounds if -

- no other person is entitled to a carer's allowance (formerly invalid care allowance) because they are caring for the disabled adult in question
- *and the person claiming benefit is under the age of 65.*

- 3.2 Regulation 4 now removes that age restriction, which is in line with the recent abolition of the condition that for a person to receive invalid care allowance (as it was then called) after they reach the age of 65, they must have been entitled to that benefit before they reached that age.

*Increases in the maximum allowable deductions from income for the purpose of determining entitlement to family income supplement for those persons working 24 hours or more a week and incurring child care charges*

- 4.1 The amount of family income supplement payable to a person is 70% of the difference between -

- the prescribed amount applicable to them (based on the size of their family, the number of hours they work and the housing costs which they incur); and
- their net income (as calculated in accordance with regulations).

A person's net income is found after first deducting the amount of child care charges they incur if they are -

- a lone parent;
- a member of a couple both of who work at least 16 hours per week; or
- a member of a couple one of who is in work and the other who is incapacitated or is undergoing employment-related training or education.

So, the reduction in a person's income increases the difference between that figure and their prescribed amount - and so increases their entitlement to family income supplement by 70% of that difference. However, the size of the reduction in respect of child costs was previously subject to 2 maxima: a lower one where only one child was being cared for and a higher one where more than one child was being cared for.

- 4.2 Until now the number of hours which the person claiming family income supplement worked (or where they were a member of a couple, the number of hours either or both of them worked) had no effect on the maximum amount of child care costs by which a person's income could be reduced. This is despite the fact that the longer a person works in any week, the higher the child care costs they are likely to incur where there is no other person to look after their child(ren).

- 4.3 Paragraphs (a) and (c) of regulation 5 introduce new provision into the Family Income Supplement Regulations whereby those persons (or their partner, if they have one, or both of them) who work at least 24 hours per week will have the maximum amount of child care costs by which their income may be reduced set at a higher figure than for those who work fewer hours. The figures are set at £100.00 per week where costs are being incurred for only one child and at £162.00 per week where costs are being incurred for more than one child.

- 4.4 Paragraph (b) of regulation 5 prescribes the maxima where the person (or their partner or both of them) works for fewer than 24 hours per week: at £69.40 per week where costs are being incurred for only one child and at £112.50 where there is more than one child being cared for.

### *Minor amendments*

5. Regulation 11 increases the level of capital which a person may possess before their entitlement to family income supplement is affected - from £10,000 to £11,000. Regulation 8 makes a corresponding increase to the amount of capital payable by instalments (either alone or with any other capital they hold) able to be possessed by a child or young person before it is treated as income of the claimant.
6. Regulations 17 and 24 replace the existing regulation 54 of, and Schedule 5 to, the Family Income Supplement (General) Regulations 1998 - which provide for the amount of housing costs applicable to a person in ascertaining their entitlement to family income supplement - in order to reflect similar terminology appearing in legislation relating to other income-related benefits. There will be no change on entitlement to family income supplement by virtue of these changes. Regulations 18, 19 and 20 make further minor modifications in respect of housing costs.

### *Students' income*

7. Regulations 12 to 14, 15(b) and 16 replace the existing provisions relating to the way in which the income of those persons claiming family income supplement, where they or their partner (or both of them) are students, with alternative, up-to-date provisions which also mirror the terminology used in legislation relating to other income-related benefits in this matter.

### *Income and capital to be disregarded in calculating family income supplement entitlement*

8. Regulations 21 to 23 provide new versions of Schedules 1, 2 and 3 to the Family Income Supplement Regulations, which specify respectively the types of -
  - earnings;
  - income other than earnings; and
  - capital

which persons claiming family income supplement may have which are not to be taken into account in determining their entitlement to benefit. Included in the new versions of those Schedules are paragraph headings, for ease of reading. The effect of the provisions is not changed.

9. The remainder of the regulations amend references found in the Family Income Supplement Regulations as a consequence of the new versions of Schedules 6, 7 and 8 provided for by regulations 21 to 23.