



Statutory Document No. 135/04

THE SOCIAL SECURITY ACT 2000

**THE SOCIAL SECURITY LEGISLATION (APPLICATION)
(AMENDMENT) (No. 4) ORDER 2004**

Approved by Tynwald

18th March 2004

Coming into operation in accordance with Article 1

In exercise of the powers conferred on the Department of Health and Social Security by section 1 of the Social Security Act 2000(a), and of all other enabling powers, the following Order is hereby made -

Citation and commencement

1. This Order may be cited as the Social Security Legislation (Application) (Amendment) (No. 4) Order 2004 and shall, subject to section 2(1) of the Social Security Act 2000, come into force on 12th April 2004.

Amendment of the Schedule to the Social Security Legislation (Application) (No. 8) Order 1996 (S.D. 634/96)

2. (1) Amend the Schedule to the Social Security Legislation (Application) (No. 8) Order 1996 (which sets out the Jobseeker's Allowance Regulations 1996 as they have effect in the Isle of Man) in accordance with the following paragraphs.

(3) In regulation 99 (calculation of net earnings of employed earners) -

- (a) in paragraph (2) for "Subject to paragraph (3), there" substitute "There"; and
- (b) omit paragraph (3).

(4) In regulation 110 (income to be treated as capital) after paragraph (10) add -

"(10A) For the avoidance of doubt, any personal allowance credit under Part 1 of the Income Tax Act 2003 (an Act of Tynwald) shall be treated as capital."

(a) 2000 c.5.

Price: £1.60 Band: A

(5) In regulation 130 (interpretation of Chapter IX of Part VIII of the Jobseeker's Allowance Regulations: students' income and capital) after "Chapter" insert "and in paragraphs 53 to 60 of Schedule 7 (income other than earnings to be disregarded in determining jobseeker's allowance entitlement)".

(6) For regulations 131 to 139 substitute -

"Apportionment of a student's grant income

131. (1) A student's grant income shall be apportioned -

- (a) subject to paragraph (2), in a case where it is attributable to the period of study, equally between the weeks in the period -
 - (i) beginning with the benefit week the first day of which coincides with, or immediately follows, the first day of the period of study, and
 - (ii) ending with the benefit week the last day of which coincides with, or immediately precedes, the last day of the period of study; or
- (b) in any other case, equally between the weeks in the period -
 - (i) beginning with the benefit week the first day of which coincides with, or immediately follows, the first day of the period for which it is payable, and
 - (ii) ending with the benefit week the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.

(2) In the case of a student on a sandwich course -

- (a) any periods of experience within the period of study shall be excluded; and
- (b) the student's grant income shall be apportioned equally between the weeks in the period -
 - (i) beginning with the benefit week the first day of which immediately follows the last day of the period of experience, and
 - (ii) ending with the benefit week the last day of which coincides with, or immediately precedes, the last day of the period of study.

Apportionment of a student's covenant income

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

Covenant income where no grant income is assessed

133. Omitted.

Relationship with amounts to be disregarded under Schedule 7

134. Omitted.

Other amounts to be disregarded

135. Omitted.

Treatment of student loans

136. Omitted.

Disregard of contribution

137. Omitted.

Further disregard of student's income

137A. Omitted.

Refund of tax from a student's income to be treated as capital

138. Any amount by way of a refund of tax deducted from a student's income shall be treated as capital.

Disregard of changes occurring during the summer vacation

139. Omitted.”.

(7) In Part I of Schedule 2 (housing costs) -

- (a) in paragraph 2(3) (rent) for “paragraph 12 of Part II” substitute “paragraph 13 of Part III”; and
- (b) in paragraph 6 (miscellaneous outgoings in respect of the home for which housing costs are applicable) -
 - (i) at the start of sub-paragraph (1) insert “Subject to sub-paragraph (2),”, and
 - (ii) for sub-paragraph (2) substitute -

“(2) The amount applicable under this paragraph shall be the amount of the outgoing mentioned in sub-paragraph (1) less any discount available at any time in respect of that amount, whether or not advantage is taken of that discount.”.

(8) In Schedule 5 for paragraph 16A (modified amount of jobseeker's allowance in respect of lone parents incurring child care charges) substitute -

“Lone parents incurring relevant child care charges who are engaged in work, or are over compulsory school age and in relevant education, or are either full-time students or attending training courses

19. In the case of a lone parent who is incurring relevant child care charges (as defined in regulation 15(2) of the Family Income Supplement (General) Regulations 1998) and is -
- (a) engaged in work; or
 - (b) over compulsory school age and in relevant education; or
 - (c) a full-time student; or
 - (d) attending a training course approved by the Department;

19. The amount applicable to the claimant under Part VII plus the actual cost of the child care charges being incurred, subject to a maximum of -

- (a) in the case of a lone parent whose family includes only one child in respect of whom such charges are being incurred, £71.25 per week;
- (b) in the case of any other lone parent, £115.55 per week.”.

(9) In Schedule 7 (income other than earnings to be disregarded in determining jobseeker’s allowance entitlement) -

- (a) in paragraph 18 (charitable, voluntary or personal injury payments) -
 - (i) in sub-paragraph (1) for “sub-paragraph (3)” substitute “sub-paragraphs (3) and (3A)”,
 - (ii) in sub-paragraph (2) for “sub-paragraphs (3) and (7)” substitute “sub-paragraphs (3), (3A) and (7)”, and
 - (iii) after sub-paragraph (3) insert -

“(3A) No part of a student’s covenant or grant income shall be disregarded under sub-paragraph (1) or (2).”;
- (b) for the heading to paragraph 44 substitute -

“Persons in residential accommodation not residing with their spouse who maintain their spouse out of their private pension income”; and
- (c) after paragraph 52 add -

“Student income

Grant income

53. Up to £28.30 of a student’s apportioned weekly grant income.

Contribution assessed

54. Where -

(a) a student is in receipt of income by way of a grant during a period of study; and

(b) a contribution has been assessed,

the amount of the contribution.

Covenant income where no grant income is received

55. Where a student is not in receipt of income by way of a grant, up to £28.30 of his apportioned weekly covenant income.

Expenditure necessary for a student’s attendance on his course

56. 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.

This paragraph has effect only if, and to the extent that, the necessary expenditure exceeds (or is likely to exceed) £28.30.

Income payable under a Deed of Covenant which commences or takes effect after the first day of the summer vacation

57. Where -

(a) a claim is made in respect of any period in the normal summer vacation and

(b) any income is payable under a Deed of Covenant which commences or takes effect after the first day of that vacation,

that income.

Partner’s contribution

58. Where -

(a) the claimant or his partner is a student; and

(b) for the purposes of assessing a contribution to the student’s grant, the other partner’s income has been taken into account,

an amount equal to that contribution for the purposes of assessing that other partner’s income.

Student's income already taken into account in assessing entitlement to a grant

59. Any part of a student's income already taken into account for the purposes of assessing his entitlement to a grant.

Changes in the standard maintenance grant occurring during the summer vacation

60. Any change in the standard maintenance grant occurring in the recognised summer vacation appropriate to the student's course (unless the vacation forms part of his period of study).

This paragraph shall apply from the date on which the change occurred until the end of the vacation."

Amendment of Schedule 1 to the Social Security Legislation (Application) (No. 4) Order 1998 (S.D. 360/98)

3. (1) Amend Schedule 1 to the Social Security Legislation (Application) (No. 4) Order 1998 (which sets out the Social Security (Claims and Payments) Regulations 1987 as they have effect in the Isle of Man) in accordance with the following paragraphs.

(2) In regulation 27 (family income supplement and disability working allowance) for paragraph (1A) substitute -

"(1A) Subject to paragraph (2), where an amount of family income supplement or disability working allowance becomes payable which is at a weekly rate of not more than £4.00, that amount shall, if an adjudication officer so directs, be payable as soon as practicable by means of a single payment; except that if that amount represents an increase in the amount of either of those benefits which has previously been paid in respect of the same period, this paragraph shall apply only if that previous payment was made by means of a single payment."

(3) In regulation 35(2) (deductions from benefit which may be paid to third parties) after "a payment in respect of maternity or funeral expenses under section 138(1)(a) or (b) (as the case may be) of the Contributions and Benefits Act" insert "or a payment of an exceptional needs grant or a budgeting loan under Part VIIIA of that Act".

(4) In paragraph 1(1) of Schedule 9 (deductions from benefit and direct payment to third parties: interpretation) in the definition of "specified benefit" in paragraphs (d) and (e) for "26 weeks" substitute "12 weeks".

Amendment of Schedule 2 to the Social Security Legislation (Application) (No. 8) Order 2002 (S.D. 374/02)

4. (1) Amend Schedule 2 to the Social Security Legislation (Application) (No. 8) Order 2002 (which sets out the Social Security (Contributions) Regulations 2001 as they have effect in the Isle of Man) in accordance with the following paragraphs.

(2) In paragraph 16A of Part IX of Schedule 3 (payments in the form of certain share incentives not regarded as earnings) -

(a) in the heading for "Share incentives" substitute "Incentives by way of securities"; and

(b) for "share incentive" substitute "incentive by way of securities".

Amendment of the Social Security Legislation (Application) (No. 22) Order 2003 (S.D. 796/03)

9. (1) Amend article 1(a) of the Social Security Legislation (Application) (No. 22) Order 2003 in accordance with the following paragraph.

(2) In that article (commencement of certain provisions on 1st December 2003) omit “, (11)(a)”.

Made 15/02/2004



Minister for Health and Social Security

EXPLANATORY NOTE

(This note is not part of the Order)

1. This Order, which comes into force on 12th April 2004, makes miscellaneous amendments to a number of sets of United Kingdom social security regulations which also have effect in the Isle of Man, as follows.

Changes to the Jobseeker's Allowance Regulations 1996

- 2.1 Article 2 makes a number of changes to the Jobseeker's Allowance Regulations 1996 (as they have effect in the Isle of Man) (“the Jobseeker's Allowance Regulations”).
- 2.2 Article 2(3) provides that the same types of earnings which fall to be disregarded in relation to entitlement to income-based jobseeker's allowance shall now also be disregarded in relation to contribution-based jobseeker's allowance.
- 2.3 Article 2(4) makes it clear that any personal allowance credit paid under Part 1 of the Income Tax Act 2003 (an Act of Tynwald) shall be treated as capital for the purposes of determining jobseeker's allowance entitlement.

(3) In paragraph 22(1) of Part III of Schedule 4 (information to be recorded on an employee's end-of-year deduction card) -

(a) for head (da) substitute -

“(da) in relation to any contracted-out employment, the numbers notified by the Department or the Inland Revenue (as the case may be) on the relevant contracting-out certificate -

(i) as the employer's number, and

(b) omit head (db).

Amendment of the Social Security Legislation (Application) (No. 5) Order 2003 (S.D. 269/03)

5. (1) Amend the Social Security Legislation (Application) (No. 5) Order 2003 in accordance with the following paragraph.

(2) In article 2(2)(b)(ii) (which amended regulation 39(4) of the Social Security and Child Support (Decisions and Appeals) Regulations 1999) for ““a party”” substitute ““a party to the proceedings””.

Amendment of the Social Security Legislation (Application) (Amendment) (No. 18) Order 2003 (S.D. 734/03)

6. (1) Amend the Social Security Legislation (Application) (Amendment) (No. 18) Order 2003 in accordance with the following paragraph.

(2) In article 1 (citation and commencement) for “(No. 19)” substitute “(No. 18)”.

Amendment of Schedule 2 to the Social Security Legislation (Application) (No. 20) Order 2003 (S.D. 794/03)

7. (1) Amend Schedule 2 to the Social Security Legislation (Application) (No. 20) Order 2003 (which sets out the Child Benefit (General) Regulations 2003 as they have effect in the Isle of Man) in accordance with the following paragraph.

(2) In regulation 7 (prescribed period for which a person who has ceased to be in full-time education is to continue to be treated as a child for the purposes of child benefit) for “Subject to paragraph (2), for” substitute “For”.

Amendment of Schedule 1 to the Social Security Legislation (Application) (No. 21) Order 2003 (S.D. 795/03)

8. (1) Amend Schedule 1 to the Social Security Legislation (Application) (No. 21) Order 2003 (which sets out the Social Security Pensions (Home Responsibilities) Amendment Regulations 2003 as they have effect in the Isle of Man) in accordance with the following paragraph.

(2) In regulation 2(3) (amendment of regulation 2 of the Social Security Pensions (Home Responsibilities) Regulations 1994) in sub-paragraph (a) -

(a) for “(2)(c)” substitute “(2)(b)”; and

(b) in the sub-paragraph added by sub-paragraph (a) for “(d)” substitute “(c)”.

- 2.4 Article 2(6) substitutes most of the previous version of Chapter IX of Part VIII of the Jobseeker's Allowance Regulations. That Chapter provides for the way in which the capital and income of students is to be calculated. The provisions disregarding certain types of student income in determining a person's entitlement to jobseeker's allowance have been moved to Schedule 7 where other income disregards are specified, for ease of reference.
- 2.5 Article 2(5) provides that the interpretation provisions of Chapter IX also apply to the student income disregards mentioned above in their new position at Schedule 7.
- 2.6 Article 2(9)(c) supplements the list of items of income other than earnings which have no effect on a person's entitlement to jobseeker's allowance by including certain types of student income previously found in Chapter IX of Part VIII of the Jobseeker's Allowance Regulations.
- 2.7 The remainder of article 2 makes minor amendments to the Jobseeker's Allowance Regulations of a clarificatory or drafting nature.

Changes to the Social Security (Claims and Payments) Regulations 1987

- 3.1 Article 3 makes three changes to the Social Security (Claims and Payments) Regulations 1987 (as they have effect in the Isle of Man) ("the Claims and Payments Regulations"), as follows.
- 3.2 Article 3(2) amends the Claims and Payments Regulations by providing that where the amount of family income supplement or disability working allowance payable to a person for the period of their award is no more than £4.00 per week, then they may be paid the total amount of benefit due for the whole of their award period by way of a single payment. A person's award of family income supplement or disability working allowance may be for a period of between 4 and 26 weeks.
- 3.3 Previously, deductions were able to be made from a person's family income supplement or disability working allowance and paid to third parties in respect of their liability for housing, residential accommodation or fuel costs only if benefit was awarded for a period of 26 weeks. Article 3(4) reduces the required length of award for that purpose to 12 weeks.
- 3.4 Article 3(3) further amends the Claims and Payments Regulations to enable payments of exceptional needs grants or budgeting loans to be made directly to the supplier of goods or services.

Amendments to the Social Security (Contributions) Regulations 2001

- 4.1 Article 4 amends the Social Security (Contributions) Regulations 2001 (as they have effect in the Isle of Man) ("the Contributions Regulations") as follows.
- 4.2 Article 4(2) amends the text found in the recently-inserted paragraph 16A of Part IX of Schedule 3 to the Contributions Regulations, as a result of an alteration in the terminology introduced by the United Kingdom Parliament Income Tax (Earnings and Pensions) Act 2003 (the term "share incentives" has been replaced by "incentives by way of securities"). The effect of the legislation is unchanged.
- 4.3 Article 4(3) make minor modifications to the information which must be recorded by an employer on an end-of-year deduction document for any of their employees who is a member of the employer's contracted-out occupational pension scheme.

Other miscellaneous changes

5. Articles 5 to 9 make a number of minor clerical changes to legislation.