



EMPLOYED PERSON'S ALLOWANCE (GENERAL) (AMENDMENT) (NO. 2) REGULATIONS 2015

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Statutory Document No. 2015/0187



Social Security Contributions and Benefits Act 1992

EMPLOYED PERSON'S ALLOWANCE (GENERAL) (AMENDMENT) (NO. 2) REGULATIONS 2015

Approved by Tynwald: 16 June 2015
Coming into Operation: 7 July 2015

The Treasury makes the following Regulations under sections 123(1)(b), 128(6), 135(1), 136(3) and (5)(a) and (b) and 175 of the Social Security Contributions and Benefits Act 1992¹ as it has effect in the Island².

1 Title

These Regulations are the Employed Person's Allowance (General) (Amendment) (No. 2) Regulations 2015.

2 Commencement

If approved by Tynwald, these Regulations come into operation on 7 July 2015³.

3 Interpretation

In these Regulations “**the 2011 Regulations**” means the Employed Person's Allowance (General) Regulations 2011⁴ and in these Regulations a reference to a numbered regulation or Schedule is to the regulation or Schedule bearing that number in the 2011 Regulations.

4 Amendment of the 2011 Regulations

The 2011 Regulations are amended as follows.

5 Regulation 51 amended

(1) Regulation 51 (income treated as capital) is amended as follows.

¹ 1992 c.4.

² See SD 505/94.

³ Tynwald approval is required by section 176 of the Social Security Contributions and Benefits Act 1992 as it has effect in the Island.

⁴ SD 431/11.

- (2) In Rule 6 omit the words “territorial or”.

6 Regulation 52 substituted

For regulation 52 (calculation of capital in the British Islands) substitute—

52. Calculation of capital in the British Islands

Capital which a claimant possesses in the British Islands shall be calculated at its current market or surrender value less—

- (a) where there would be expenses attributable to sale, 10 per cent; and
- (b) the amount of any incumbrance secured on it. **52.**

7 Regulation 54 amended

- (1) Regulation 54 (claimants depriving themselves of capital in order to secure or increase entitlement) is amended as follows.
- (2) In Rule 1 for paragraph (c) substitute—
 - 54(c)** if it is any sum to which paragraph 40(2)(a) of Schedule 4 (capital to be disregarded) applies which is administered in the way referred to in paragraph 40(1)(a) of that Schedule **54.**

8 Schedule 2 amended

- (1) Schedule 2 (sums disregarded in the calculation of earnings) is amended as follows.
- (2) Omit the words “territorial or” in —
 - (a) the heading to paragraph 4; and
 - (b) sub-paragraph (a) of paragraph 4.

9 Schedule 3 amended

- (1) Schedule 3 (sums disregarded in the calculation of income other than earnings) is amended as follows.
- (2) For paragraphs 24 and 25 substitute —
 - 24** *Charitable, voluntary or personal injury payments*
 - 24.
 - (1) Subject to sub-paragraph (2) and paragraph 54, any relevant payment made or due to be made at regular intervals.
 - (2) Sub-paragraph (1) shall not apply —

- (a) to a payment which is made by a person for the maintenance of any member of his family or of his former partner or of his children;
 - (b) in the case of a person to whom section 126 of the Contributions and Benefits Act (trade disputes) applies or in respect of whom section 124 of that Act (conditions of entitlement to income support) has effect as modified by section 127 of the Contributions and Benefits Act (effect of return to work).
- (3) In this paragraph, “relevant payment” means —
- (a) a charitable payment;
 - (b) a voluntary payment;
 - (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the claimant;
 - (d) a payment under an annuity purchased —
 - (i) pursuant to any agreement or court order to make payments to the claimant; or
 - (ii) from funds derived from a payment made, in consequence of any personal injury to the claimant; or
 - (e) a payment (not falling within sub-paragraphs (a) to (d) above) received by virtue of any agreement or court order to make payments to the claimant in consequence of any personal injury to the claimant.

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 20(3) (calculation of income and capital: members of claimant’s family and of a polygamous marriage) to be disregarded under paragraph 24 shall in no case exceed £30.00 per week. **22**.

(3) After paragraph 50 insert —

23 *Payments to assist visits to persons in custody*

50A. Any payment made by the Department of Home Affairs under a scheme established to assist relatives and other persons to visit persons in custody. **22**.

10 Schedule 4 amended

- (1) Schedule 4 (capital disregarded) is amended as follows.
- (2) After paragraph 39 insert —

46 *Payments to assist visits to persons in custody*

39A. Any payment made by the Department of Home Affairs under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of receipt of the payment. **47**.

(3) For paragraph 40 substitute —

48 *Capital derived from personal injury damages or compensation payments for the death of a minor's parents administered by the High Court, etc.*

40.

- (1) Any sum of capital to which sub-paragraph (2) applies and —
- (a) which is administered on behalf of a person by the High Court or by a person appointed by the High Court;
 - (b) which can only be disposed of by order or direction of any such court; or
 - (c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.
- (2) This sub-paragraph applies to a sum of capital which is derived 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. **49**.

MADE 13TH MAY 2015

W E TEARE
Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Employed Person's Allowance (General) Regulations 2011 ("the 2011 Regulations").

Regulations 1 to 3 are introductory provisions (title, commencement and interpretation of the Regulations) and regulation 4 introduces the amendments.

Regulations 5 and 8 amend regulation 51 of, and Schedule 2 to, the 2011 Regulations to remove obsolete references to the word "territorial", which are redundant in respect of the reserve forces due to the renaming of the Army Reserve and Territorial Army in section 44 of the Defence Reform Act 2014 (an Act of the United Kingdom Parliament).

Regulation 6 replaces regulation 52 of the 2011 Regulations so that all capital assets in the British Islands are taken into account by reference to their current market or surrender value.

Regulations 9 and 10 amend Schedules 3 and 4 to the 2011 Regulations. Regulation 9(2) amends Schedule 3 to the 2011 Regulations in relation to charitable, voluntary or personal injury payments. Regulations 9(3) and 10(2) insert new income and capital disregards in respect of payments made by the Department of Home Affairs to help persons to visit persons in custody. Regulation 10(3) amends the existing disregard of capital derived from an award of damages for a personal injury or a compensation payment for the death of a minor's parents and regulation 7 amends cross-references in regulation 54 of the 2011 Regulations consequentially. Each change aligns the income and capital disregards which apply to persons claiming employed person's allowance with those which apply to persons claiming income support or income-based jobseeker's allowance.