



CHILD BENEFIT (RATES) (AMENDMENT) (NO. 2) REGULATIONS 2015

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Statutory Document No. 2015/0220

*Social Security Contributions and Benefits Act 1992*

CHILD BENEFIT (RATES) (AMENDMENT) (NO. 2) REGULATIONS 2015

*Approved by Tynwald: 22nd July 2015**Coming into Operation in accordance with regulation 2*

The Treasury makes the following Regulations under sections 145(1) and (2)¹, 147(1) and (2A)² and 175 of the Social Security Contributions and Benefits Act 1992³ as it has effect in the Island⁴.

PART 1 – GENERAL

1 Title

These Regulations are the Child Benefit (Rates) (Amendment) (No. 2) Regulations 2015.

2 Commencement and effect

If approved by Tynwald, these Regulations come into operation on the day they are approved by Tynwald⁵ but have effect from 6 April 2015.

3 Interpretation

- (1) In these Regulations “**the 2013 Regulations**” means the Child Benefit (Rates) Regulations 2013⁶.
- (2) In this Part “**child benefit**” means child benefit under Part IX of the Social Security Contributions and Benefits Act 1992 as it has effect in the Island.

¹ Section 145(2) amended by Schedule 1 to the Child Benefit Act 2005 c.26 (see SD 29/07).

² Section 147(1) to (2B) substituted for section 147(1) and (2) by SD 0352/13.

³ 1992 c.4.

⁴ See SD 505/94.

⁵ Tynwald approval is required by section 176 of the Social Security Contributions and Benefits Act 1992 as it has effect in the Island.

⁶ SD 0421/13.

- (3) In Part 2 a reference to a numbered Part or regulation is to the Part or regulation bearing that number in the 2013 Regulations.

4 Savings

Part 4 of the 2013 Regulations (transitional provisions) continues to have effect despite regulation 11 in relation to a claim for child benefit in respect of a day falling in the period from 7 April 2014 to 5 April 2015 until 5 April 2016.

PART 2 – 2013 REGULATIONS AMENDED

5 The 2013 Regulations amended

The 2013 Regulations are amended as follows.

6 Regulation 4 amended

- (1) Regulation 4⁷ (interpretation: general) is amended as follows.
- (2) In paragraph (1) after the definition of “**qualifying young person**” insert –
- “RITY”** in relation to a year of claim means the tax year immediately before the tax year immediately before the year of claim;**”**.
- (3) In paragraph (2) after “existing” insert **“in a week”**.

7 Regulation 5 substituted

For regulation 5⁸ substitute –

5 Interpretation: “assessed income”, etc.

- (1) In these Regulations reference to a person’s (P’s) income having been “**assessed**” means assessed by the Assessor of Income Tax in accordance with section 81A of the *Income Tax Act 1970* and cognate expressions are to be construed accordingly.
- (2) Paragraph (1) is subject to paragraph (3) and regulation 5A.
- (3) But in computing P’s “**assessed income**” in relation to a year of assessment any of the payments specified in the Schedule which have been paid to P in relation to that year are to be disregarded.
- (4) If asked to do so, the claimant must provide information to the Treasury for the purposes of determining whether any of the payments specified in the Schedule have been paid to P in relation to a year of assessment. **”**.

⁷ Regulation 4 amended by SD’s 2014/0008 and 0388 and 2015/0007.

⁸ Regulation 5 amended by SD 2014/0388.

8 Regulation 6 substituted

For regulation 6⁹ (interpretation: “total income”) substitute —

6 Interpretation: “predicted total income”

- (1) In these Regulations a person’s (P’s) “**predicted total income**” for any tax year means the amount of total income which P is likely to have for that year.
- (2) Paragraph (1) is subject to paragraph (3) and regulation 6A
- (3) But in computing P’s “**predicted total income**” for a tax year any of the payments specified in the Schedule payable to P in relation to that year are to be disregarded.
- (4) If asked to do so, the claimant must provide information to the Treasury for the purposes of determining whether any of the payments specified in the Schedule are payable to P in relation to for a tax year.
- (5) In this regulation “**total income**” for a tax year has the meaning given in section 120 of the *Income Tax Act 1970*.¹⁰

9 Regulation 6A amended

- (1) Regulation 6A¹⁰ (meaning of “total income” for tax-capped individuals) is amended as follows.
- (2) In paragraph (2) for “total income” substitute **predicted total income**.
- (3) In the heading to that regulation for “**total income**” substitute **predicted total income**.

10 Part 3 substituted

For Part 3 (reckonable income) substitute —

PART 3

RECKONABLE INCOME: GENERAL

13 “Reckonable income”: general

- (1) This Part applies to a claimant (C) if Part 4 does not apply to C.

⁹ Regulation 6 amended by SD 2014/0388.

¹⁰ Regulation 6A inserted by SD 2014/0388.

- (2) If this Part applies to C, the meaning of C’s “**reckonable income**” in relation to a week of claim for the purposes of Part IX of SSCBA is that prescribed in whichever of regulation 14 or 15 applies to C.

14 “Reckonable income”: claimant does not have a partner

- (1) This regulation applies to C if C does not have a partner.
- (2) If this regulation applies to C, C’s reckonable income is the amount specified in Table 1 below as applies in C’s case.

Table 1

<i>Case</i>	<i>C’s reckonable income</i>
C’s income has been assessed in respect of RITY	The amount of C’s assessed income in respect of RITY
C’s income has not been assessed in respect of RITY	The amount of C’s predicted total income for the year of claim

15 “Reckonable income”: claimant has a partner

- (1) This regulation applies to C if C has a partner (P).
- (2) If this regulation applies to C, C’s reckonable income is the amount specified in Table 2 below as applies in C’s case.

Table 2

<i>Case</i>	<i>C’s reckonable income</i>
Both C’s and P’s incomes have been assessed in respect of RITY	The sum of C’s and P’s assessed incomes in respect of RITY
C’s income has been assessed in respect of RITY but P’s income has not been so assessed	The sum of — (a) C’s assessed income in respect of RITY; and (b) P’s predicted total income for the year of claim
C’s income has not been assessed in respect of RITY but P’s income has been so assessed	The sum of — (a) C’s predicted total income for the year of claim; and (b) P’s assessed income in respect of RITY
Neither C’s nor P’s income has been assessed in respect of RITY	The sum of C’s and P’s predicted total incomes for the year of claim

PART 4

RECKONABLE INCOME: SPECIAL CIRCUMSTANCES APPLY, ETC.

16 “Reckonable income” if special circumstances apply

- (1) This Part applies to a claimant (C) if any of regulations 17 to 20 applies to C.

- (2) If this Part applies to C, the meaning of C’s “reckonable income” in relation to a week of claim for the purposes of Part IX of SSCBA is that prescribed in whichever of regulations 17 to 20 applies to C.

17 “Reckonable income”: claimant does not have a partner and special circumstances apply to claimant

- (1) This regulation applies to C if all of the conditions in Table 3 below are satisfied in the week of claim.

Table 3

Condition 1	C does not have a partner
Condition 2	C’s income has been assessed in respect of RITY
Condition 3	Any of the special circumstances apply to C
Condition 4	C makes an application to the Treasury in writing that C’s reckonable income be determined as being that specified in paragraph (2)
Condition 5	C’s reckonable income in relation to a week of claim under regulation 14 would be at least £5,000 more than under this regulation if regulation 14 were to apply to C and this regulation were not to do so

- (2) If this regulation applies to C, C’s reckonable income is the amount of C’s predicted total income for the year of claim.

18 “Reckonable income”: claimant has a partner and special circumstances apply to claimant

- (1) This regulation applies to C if all of the conditions in Table 4 below are satisfied in the week of claim.

Table 4

Condition 1	C has a partner (P).
Condition 2	Either – (a) both C’s and P’s incomes have been assessed in respect of RITY; or (b) C’s income has been assessed in respect of RITY but P’s income has not been so assessed
Condition 3	Any of the special circumstances apply to C
Condition 4	C makes an application in writing to the Treasury that C’s reckonable income be determined as being that specified in paragraph (2)
Condition 5	C’s reckonable income in relation to a week of claim under regulation 15 would be at least £5,000 more than under this regulation if regulation 15 were to apply to C and this regulation were not to do so

- (2) If this regulation applies to C, C’s reckonable income is the amount specified in Table 5 below as applies in C’s case.

Table 5

<i>Case</i>	<i>C's reckonable income</i>
Both C's and P's incomes have been assessed in respect of RITY	The sum of – (a) C's predicted total income for the year of claim; and (b) P's assessed income in respect of RITY
C's income has been assessed in respect of RITY but P's income has not been so assessed	The sum of C's and P's predicted total incomes for the year of claim

19 “Reckonable income”: claimant has a partner and special circumstances apply to claimant's partner

- (1) This regulation applies to C if all of the conditions in Table 6 below are satisfied in the week of claim.

Table 6

Condition 1	C has a partner (P)
Condition 2	Either – (a) both C's and P's incomes have been assessed in respect of RITY; or (a) C's income has not been assessed in respect of RITY but P's income has been so assessed
Condition 3	Any of the special circumstances apply to P
Condition 4	C makes an application in writing to the Treasury that C's reckonable income be determined as being that specified in paragraph (2)
Condition 5	C's reckonable income in relation to a week of claim under regulation 15 would be at least £5,000 more than under this regulation if regulation 15 were to apply to C and this regulation were not to do so

- (2) If this regulation applies to C, C's reckonable income is the amount specified in Table 7 below as applies in C's case.

Table 7

<i>Case</i>	<i>C's reckonable income</i>
Both C's and P's incomes have been assessed in respect of RITY	The sum of – (a) C's assessed income in respect of RITY; and (b) P's predicted total income for the year of claim
C's income has not been assessed in respect of RITY but P's income has been so assessed	The sum of C's and P's predicted total incomes for the year of claim

20 “Reckonable income”: claimant has a partner and special

circumstances apply to claimant and partner

- (1) This regulation applies to C if all of the conditions in Table 8 below are satisfied in the week of claim.

Table 8

Condition 1	C has a partner (P)
Condition 2	Both C's and P's incomes have been assessed in respect of RITY
Condition 3	Any of the special circumstances apply to C and P
Condition 4	C makes an application in writing to the Treasury that C's reckonable income be determined as being that specified in paragraph (2)
Condition 5	C's reckonable income in relation to a week of claim under regulation 15 would be at least £5,000 more than under this regulation if regulation 15 were to apply to C and this regulation were not to do so

- (2) If this regulation applies to C, C's reckonable income is the sum of C's and P's predicted total incomes for the year of claim.

21 The special circumstances

- (1) Paragraphs (2) to (6) and (10) to (12) specify the special circumstances which apply to a person (P) for the purposes of regulations 17 to 20.
- (2) P is entitled—
- (a) to a contribution-based jobseeker's allowance; or
 - (b) to be credited with earnings for the week of claim pursuant to regulation 8A of the Social Security (Credits) Regulations 1975¹¹ (credits for unemployment).
- (3) P is on maternity leave.
- (4) P is within the maternity allowance period.
- (5) The circumstances are that —
- (a) the youngest child in respect of whom child benefit is payable to —
 - (i) P; or
 - (ii) P's partner (if P has a partner), has not attained the age of 5;
 - (b) P has undergone a relevant employment change in —
 - (i) RITY,
 - (ii) the tax year immediately following RITY; or
 - (iii) the year of claim; and

¹¹ SI 1975/556 (see GC 156/75).

- (c) P has not undergone a reversal of that relevant employment change.
- (6) The circumstances are that —
 - (a) P is incapable of work; and
 - (b) any of the conditions specified in paragraphs (7) to (9) are satisfied.
- (7) The condition is that P has been incapable of work for the period of 3 months immediately before the week of claim.
- (8) The condition is that P is likely to be incapable of work for the 3 months immediately following the week of claim.
- (9) The condition is that —
 - (a) P has been incapable of work for a period;
 - (b) P is likely to be incapable of work for a further consecutive period; and
 - (c) the sum of the periods referred to in sub-paragraphs (a) and (b) is at least 3 months.
- (10) P is on adoption leave.
- (11) P is a person to whom paragraph 4 of Schedule 1 to the Income Support (General) (Isle of Man) Regulations 2000¹² (persons caring for another person) applies.
- (12) The circumstances are that —
 - (a) P is the foster parent of a foster child who has not attained the age of 5;
 - (b) P has undergone a relevant employment change in —
 - (i) RITY,
 - (ii) the tax year immediately following RITY; or
 - (iii) the year of claim; and
 - (b) P does not undergo a reversal of that relevant employment change.

22 Part 4: interpretation

- (1) In this Part —

“**adoption leave**” means a period of absence from work on ordinary or additional adoption leave under section 95 or 96 of the *Employment Act 2006*;

“**a contribution-based jobseeker’s allowance**” has the meaning given in section 1(4) of the *Jobseekers Act 1995*¹³;

¹² SD 26/00.

“**employed earner**” has the meaning given in section 2 of SSCBA;

“**employer**”, in relation to an employee or a worker, means the person by whom the employee or worker is (or where the employment has ceased, was) employed;

“**employment**” has the meaning given in section 122 of SSCBA;

“**maternity allowance period**” has the meaning given in section 35(2) of SSCBA;

“**maternity leave**” means a period —

- (a) during which a woman is absent from work because she is pregnant or has given birth to a child; and
- (b) at the end of which she has a right to return to work either under the terms of her contract of employment or under Part VII of *the Employment Act 2006*;

“**self-employed earner**” has the meaning given in section 2 of SSCBA; and

“**the special circumstances**” are the circumstances specified in regulation 21.

(2) For the purposes of this Part a person is a “**foster parent**” if that person is —

- (a) fostering a child privately (as construed in accordance with section 57 of the *Children and Young Persons Act 2001*);
- (b) an official foster parent (as defined in section 102(1) of that Act); or
- (c) approved as a foster parent in accordance with any arrangements analogous to sub-paragraph (a) or (b),

and “**foster child**” is to be construed accordingly.

(3) For the purposes of this Part a person is “**incapable of work**” if that person —

- (a) is incapable of work in accordance with Part XIA of SSCBA and regulations made under that Part (incapacity for work);
- (b) is treated as incapable of work by virtue of regulations made under section 171D of that Act (persons to be treated as incapable or capable of work); or
- (c) is treated as capable of work by virtue of regulations made under section 171E(1) of that Act (disqualification, etc.).

23 Meaning of “relevant employment change” and “reversal of that


¹³ 1995 c.18 (see SD 8/96).

relevant employment change”

For the purposes of this Part a person (P) undergoes —

- (a) a “**relevant employment change**” if P undergoes any of the changes specified in the first column of Table 9 below; and
- (b) a “**reversal of that relevant employment change**” if P undergoes a reversal of the relevant employment change specified in the second column of Table 9 below in relation to the relevant employment change specified in the first column opposite.

Table 9

<i>Relevant employment change</i>	<i>Reversal of that relevant employment change</i>
P ceases employment as an employed earner or a self-employed earner	P commences employment as an employed earner or a self-employed earner
P reduces the number of hours in which P is gainfully employed as an employed earner or a self-employed earner	P increases the number of hours in which P is gainfully employed as an employed earner or a self-employed earner
P is employed as an employed earner by a different employer (E) to that by which P was employed immediately before	P commences employment as – (a) an employed earner by an employer other than E; or (b) a self-employed earner  .

11 Part 4 revoked

Part 4 (transitional provisions) is revoked.

12 Schedule inserted

After Part 5 (revocations) add —


 SCHEDULE

Regulations 5(3) and 6(3)

**PAYMENTS DISREGARDED IN DETERMINING
ASSESSED INCOME OR PREDICTED TOTAL INCOME**

The following payments are to be disregarded in determining a person’s assessed income or predicted total income —

- (a) child benefit under Part 9 of SSCBA;

- (b) child benefit under Part 9 of the Social Security Contributions and Benefits Act 1992 as it has effect in Great Britain;
- (c) child benefit under Part 9 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992;
- (d) any benefit or payment under any other legislation analogous to that specified in any of sub-paragraphs (a) to (c);
- (e) any termination payment within the meaning of section 48A of the *Income Tax Act 1970*;
- (f) any payment taken into account as a termination payment under section 48B of the *Income Tax Act 1970*;
- (g) a lump sum payment under Schedule 5 to SSCBA;
- (h) a lump sum payment under Schedule 5 to the Social Security Contributions and Benefits Act 1992 as it has effect in Great Britain;
- (i) a lump sum payment under Schedule 5 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992¹⁴; and
- (j) a lump sum payment under the Pension Supplement Scheme 2001¹⁵. 

MADE 17TH JUNE 2015

W E TEARE
Minister for the Treasury

¹⁴ 1992 c.7.

¹⁵ GC 53/01.

*EXPLANATORY NOTE**(This note is not part of the Regulations)*

These Regulations amend and revoke provisions in the Child Benefit (Rates) Regulations 2013 (“the 2013 Regulations”).

Part 1 (regulations 1 to 4) contains the Regulations’ general provisions (title, commencement and effect, interpretation and savings).

Part 2 (regulations 5 to 12) contains the amendments made to the 2013 Regulations.

Regulation 5 introduces the amendments.

Regulation 6 makes a number of minor clarificatory amendments to regulation 4 of the 2013 Regulations (general interpretation of the 2013 Regulations).

Regulation 7 substitutes regulation 5 of the 2013 Regulations (meaning of “assessed income” and related phrases). Regulation 8 substitutes regulation 6 of the 2013 Regulations (meaning of “total income”). New regulations 5 and 6 of the 2013 Regulations provide that in computing a person’s “assessed income” and “predicted total income” any of the payments specified in the Schedule to the 2013 Regulations (as inserted by regulation 12) are to be disregarded. Regulation 9 amends regulation 6A of the 2013 Regulations consequential on regulation 8.

Regulation 10 replaces Part 3 of the 2013 Regulations (“reckonable income”) with new Parts 3 and 4. New Part 3 specifies the meaning of a person’s “reckonable income” in general cases and Part 4 does so if special circumstances apply, etc.

Regulation 11 provides for the revocation of Part 4 of the 2013 Regulations (transitional provisions) but is subject to regulation 4 (savings).