



EMPLOYED PERSON'S ALLOWANCE (GENERAL) (AMENDMENT) REGULATIONS 2019

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Statutory Document No. 2019/0186



Social Security Contributions and Benefits Act 1992

EMPLOYED PERSON'S ALLOWANCE (GENERAL) (AMENDMENT) REGULATIONS 2019

*Approved by Tynwald: 22nd May 2019
Coming into Operation in accordance with regulation 2*

The Treasury makes the following Regulations under sections 123(1)(b), 128, 135, 137 and 175 of the Social Security Contributions and Benefits Act 1992¹ as it has effect in the Island².

PART 1 – INTRODUCTION

1 Title

These Regulations are the Employed Person's Allowance (General) (Amendment) Regulations 2019.

2 Commencement

If approved by Tynwald, these Regulations come into operation on 2 June 2020³.

3 Amendment of the Employed Person's Allowance (General) Regulations 2011

The Employed Person's Allowance (General) Regulations 2011⁴ are amended as follows.

¹ 1992 c.4.

² See SD 505/94.

³ Under section 176 of the Social Security Contributions and Benefits Act 1992 as it is applied in the Island these regulations shall not have effect unless they are approved by Tynwald.

⁴ SD 431/11.

PART 2 – AMENDMENTS RELATING TO REMUNERATIVE WORK

4 Amendment of regulation 3

In regulation 3 (interpretation), in paragraph (1), omit the definition of “qualifying hours”.

5 Substitution of regulation 7

For regulation 7 (remunerative work: introduction) substitute —

7 Remunerative work: introduction

- (1) For the purposes of Part 7 of the Contributions and Benefits Act as it applies to employed person's allowance, treat a person (P) as engaged and normally engaged in remunerative work if any of paragraphs (2) to (4) applies to P.
- (2) This paragraph applies to P if—
 - (a) P is employed at the date of claim;
 - (b) the work which P does is for payment or in expectation of payment;
 - (c) P meets the minimum work requirement in P's case because P works for at least the minimum hours (see regulations 7A to 7K);
 - (d) the work which P does is not excluded work (see regulation 7L);
 - (e) P satisfies the requirements of regulation 8; and
 - (f) paragraph (3) does not apply to P.
- (3) This paragraph applies to P if—
 - (a) P and P's partner are employed at the date of claim;
 - (b) the work which P and P's partner do is for payment or in expectation of payment;
 - (c) P meets the minimum work requirement in P's case because the aggregate of P's and P's partner's aggregable hours is at least the minimum hours (see regulations 7C to 7F);
 - (d) P and P's partner satisfy the requirements of regulation 8; and
 - (e) the work which P and P's partner do is not excluded work (see regulation 7L).
- (4) This paragraph applies to P if P is a trainee (see regulation 7M).

7A Minimum work requirement for a person who is a member of a couple and one or both members of that couple is a carer

- (1) This regulation applies to P if—
 - (a) P is a member of a couple; and
 - (b) P or P's partner is (or both of them are) a person with exceptional caring responsibilities.
- (2) P meets the minimum work requirement if P works for at least the minimum hours.
- (3) The minimum hours are 16 hours per week.

7B Minimum work requirement for a person who is a member of a couple and one or both members of that couple is a severely disabled person

- (1) This regulation applies to P if —
 - (a) P is a member of a couple; and
 - (b) P's or P's partner is (or both of them are) a severely disabled person.
- (2) P meets the minimum work requirement if P works for at least the minimum hours.
- (3) The minimum hours are 16 hours per week.

7C Minimum work requirement for a person who is a member of a couple and one or both members of that couple is responsible for a child or young person: standard cases

- (1) This regulation applies to P if —
 - (a) P is a member of a couple;
 - (b) P or P's partner is (or both of them are) responsible for a child or young person; and
 - (c) none of regulations 7A, 7B, 7D to 7F or 7K applies to P.
- (2) P meets the minimum work requirement if —
 - (a) P works for at least the minimum hours; or
 - (b) the aggregate of —
 - (i) the number of hours for which P works ("P's aggregable hours"); and
 - (ii) the number of hours for which P's partner works ("P's partner's aggregable hours"),is at least the minimum hours.
- (3) The minimum hours are —

- (a) if the youngest or only child or young person (YC) for whom P or P's partner is (or both of them are) responsible is not aged 6 years or over, 35 hours per week; and
- (b) if YC is aged 6 years or over, 48 hours per week.

7D Minimum work requirement for person who is a member of a couple and one or both members of that couple is responsible for a child or young person who is disabled, incapacitated or pregnant

- (1) This regulation applies to P if —
 - (a) P is a member of a couple;
 - (b) P or P's partner is (or both of them are) responsible for a child or young person (C);
 - (c) paragraph (2) applies to P; and
 - (d) none of regulations 7A, 7B or 7K applies to P.
- (2) This paragraph applies to P if C —
 - (a) is a disabled person;
 - (b) is incapacitated and has been incapacitated for the preceding 30 days; or
 - (c) is pregnant and has been pregnant for the preceding 182 days.
- (3) P meets the minimum work requirement if —
 - (a) P works for at least the minimum hours; or
 - (b) the aggregate of —
 - (i) P's aggregable hours; and
 - (ii) P's partner's aggregable hours,is at least the minimum hours.
- (4) The minimum hours are 35 hours per week.

7E Minimum work requirement for a person who is a member of a couple and one or both members of that couple is responsible for a child or young person and whose partner is disabled, incapacitated, pregnant or in training or education

- (1) This regulation applies to P if —
 - (a) P is a member of a couple;
 - (b) P or P's partner is (or both of them are) responsible for a child or young person;
 - (c) paragraph (2) applies to P; and
 - (d) none of regulations 7A, 7B or 7K applies to P.

- (2) This paragraph applies to P if P's partner —
 - (a) is a disabled person;
 - (b) is incapacitated and has been incapacitated for the preceding 30 days;
 - (c) is pregnant and has been pregnant for the preceding 182 days; or
 - (d) is participating in a work-related course of training or undergoing a work-related course of education which requires P's partner's attendance for at least 16 hours per week.
- (3) P meets the minimum work requirement if —
 - (a) P works for at least the minimum hours; or
 - (b) the aggregate of —
 - (i) P's aggregable hours; and
 - (ii) P's partner's aggregable hours,is at least the minimum hours.
- (4) The minimum hours are 35 hours per week.

7F Minimum work requirement for a person who is a member of a couple and one or both members of that couple is responsible for a child or young person and whose partner is receiving a bereavement support payment

- (1) This regulation applies to P if —
 - (a) P is a member of a couple;
 - (b) P or P's partner is (or both of them are) responsible for a child or young person;
 - (c) P's partner is receiving a bereavement support payment; and
 - (d) none of regulations 7A, 7B or 7K applies to P.
- (2) P meets the minimum work requirement if —
 - (a) P works for at least the minimum hours; or
 - (b) the aggregate of —
 - (i) P's aggregable hours; and
 - (ii) P's partner's aggregable hours,is at least the minimum hours.
- (3) The minimum hours are 35 hours per week.

7G Minimum work requirement for a person who is not a member

**of a couple and who is responsible for a child or young person:
standard cases**

- (1) This regulation applies to P if —
 - (a) P is not a member of a couple;
 - (b) P is responsible for a child or young person; and
 - (c) none of regulations 7H to 7K applies to P.
- (2) P meets the minimum work requirement if P works for at least the minimum hours.
- (3) The minimum hours are—
 - (a) if the youngest or only child or young person (YC) for whom P is responsible is not aged 13 years or over, 16 hours per week; and
 - (b) if YC is aged 13 years or over, 24 hours per week.

**7H Minimum work requirement for a person who is not a member
of a couple and who is responsible for a child or young person
and who is a carer**

- (1) This regulation applies to P if —
 - (a) P is not a member of a couple;
 - (b) P is responsible for a child or young person; and
 - (c) P is a person with exceptional caring responsibilities.
- (2) P meets the minimum work requirement if P works for at least the minimum hours.
- (3) The minimum hours are 16 hours per week.

**7I Minimum work requirement for a person who is not a member
of a couple and who is responsible for a child or young person
who is disabled, incapacitated or pregnant**

- (1) This regulation applies to P if —
 - (a) P is not a member of a couple;
 - (b) P is responsible for a child or young person (C); and
 - (c) paragraph (2) applies to P.
- (2) This paragraph applies to P if C —
 - (a) is a disabled person;
 - (b) is incapacitated and has been incapacitated for the preceding 30 days; or
 - (c) is pregnant and has been pregnant for the preceding 182 days.

- (3) P meets the minimum work requirement if P works for at least the minimum hours.
- (4) The minimum hours are 16 hours per week.

7J Minimum work requirement for a person who is not a member of a couple and who is responsible for a child or young person and who is receiving a bereavement support payment

- (1) This regulation applies to P if —
 - (a) P is not a member of a couple;
 - (b) P is responsible for a child or young person; and
 - (c) P is receiving a bereavement support payment.
- (2) P meets the minimum work requirement if P works for at least the minimum hours.
- (3) The minimum hours are 16 hours per week.

7K Minimum work requirement for a person who has a disability which puts that person at a disadvantage in getting a job

- (1) This regulation applies to P if P has a physical or mental disability which puts P at a disadvantage in getting a job (see regulation 14).
- (2) P meets the minimum work requirement if P works for at least the minimum hours.
- (3) The minimum hours are 16 hours per week.

7L Excluded work

- (1) Any work which a person does which is specified in any of paragraphs (2) to (4) is excluded work.
- (2) The person is engaged by a charitable or voluntary organisation or is a volunteer and the only payment received by the person (or due to be paid to the person) is a payment which is disregarded under regulation 42(2) (calculation of income other than earnings) and paragraph 26 of Schedule 3 (sums disregarded in the calculation of income other than earnings).
- (3) The person is engaged in caring for another person in respect of whom the person receives payments to which paragraph 46 of Schedule 3 refers.
- (4) The person is engaged in an activity in respect of which —
 - (a) a sports award has been made, or is to be made, to the person; and

- (b) no other payment is made, or is expected to be made, to the person.

7M Trainees

- (1) A person (P) is a “trainee” if all of the conditions in paragraphs (2) to (4) are satisfied.

But P is not a trainee if P has been a trainee for the preceding 365 days.

- (2) In the week of claim, P is undergoing a course of training or instruction which requires P’s attendance for at least the minimum hours or the minimum aggregable hours which P would be required to work to meet the minimum work requirement if regulation 7(2) or (3) applied to P.

- (3) P is entitled to be paid a training allowance by the Department in respect of P’s attendance on that course.

- (4) In respect of the week preceding the week in which P’s course started (or, if that course was immediately preceded by one or more such courses, prior to the start of the earlier course or the earliest of those courses) —

- (a) P actually met (on average) the minimum work requirement; and

- (b) P had been awarded employed person’s allowance. **22**.

6 Amendment of regulation 8

- (1) Regulation 8 (remunerative work: conditions) is amended as follows.
- (2) In paragraph (1)—
 - (a) in Cases A to D and H for “not less than the qualifying hours applicable in his or her case” substitute **63** for at least the minimum hours or the minimum aggregable hours **22**;
 - (b) in Case E, in paragraph (b), for “not less than the qualifying hours applicable in her case” substitute **63** for at least the minimum hours or the minimum aggregable hours **22**;
 - (c) in Cases F and G for “not less than the qualifying hours applicable in her case” substitute **63** at least the minimum hours or the minimum aggregable hours **22**; and
 - (d) in Case I, in paragraph (b), for “not less than the qualifying hours applicable in his or her case” substitute **63** at least the minimum hours or the minimum aggregable hours **22**.
- (3) After paragraph (1) insert —

7A(1A) In this regulation the “**minimum aggregable hours**” in the case of a person is determined in accordance with the formula—

minimum aggregable hours = the minimum hours – the person’s partner’s aggregable hours.

- (4) In paragraph (2) for the words after “regulation 9” substitute **7A** (whether the work a person does is for at least the minimum hours or the minimum aggregable hours) **7B**.
- (5) In paragraph (4)(b) for “the claimant undertook for not less than the qualifying hours” substitute **7A** which the person did for at least the minimum hours or the minimum aggregable hours **7B**.

7 Amendment of regulation 9

- (1) Regulation 9 (whether the work a person undertakes is for not less than the qualifying hours per week) is amended as follows.
- (2) For the heading to that regulation substitute —

7A **Whether the work a person does is for at least the minimum hours or the minimum aggregable hours** **7B**.

- (3) For “the work a person undertakes is for not less than the qualifying hours per week” substitute **7A** the work a person does is for at least the minimum hours or the minimum aggregable hours **7B**.

8 Substitution of regulation 10

For regulation 10 (interpretation: remunerative work) substitute —

7A **10 Interpretation: Part 2**

- (1) For the purposes of this Part a person (P) meets the “**minimum work requirement**” in P’s case if P does so under any of regulations 7A to 7K and the “**minimum hours**” in P’s case are the ones specified in that regulation.
- (2) For the purposes of this Part a person’s “**aggregable hours**” has the meaning given in regulation 7C.
- (3) In this Part —
- “**bereavement support payment**” means a bereavement support payment under section 30 of the Pensions Act 2014;
- “**disabled person**” means —
- (a) a person who is entitled to the care component or the mobility component (or both components) of a disability living allowance;
- (b) a person who is entitled to attendance allowance;

- (c) a person who —
 - (i) has claimed a disability living allowance; and
 - (ii) would be entitled to a disability living allowance if the condition in —
 - (aa) section 72(2)(a) (care component of disability living allowance) of the Contributions and Benefits Act did not apply; or
 - (bb) section 73(9)(a) (mobility component of disability living allowance) of that Act did not apply; or
- (d) a person who —
 - (i) has claimed an attendance allowance; and
 - (ii) would be entitled to an attendance allowance if the condition in section 65(1)(b) (period and rate of attendance allowance) of the Contributions and Benefits Act did not apply;

“**minimum aggregable hours**” has the meaning given in regulation 8;

“**person with exceptional caring responsibilities**” means a person —

- (a) who is in receipt of a carer’s allowance; or
- (b) who is not in receipt of a carer’s allowance, but is nevertheless regularly and substantially engaged in caring for a severely disabled person, in accordance with regulations under section 70(8) (carer’s allowance) of the Contributions and Benefits Act; and

“**severely disabled person**” means —

- (a) a severely disabled person within the meaning of section 70(2) of the Contributions and Benefits Act;
- (b) a person who —
 - (i) has claimed attendance allowance; and
 - (ii) would be entitled to attendance allowance if the condition in section 65(1)(b) (period and rate of attendance allowance) of that Act did not apply; or
- (c) a person who —
 - (i) has claimed disability living allowance; and
 - (ii) would be entitled to the care component of disability living allowance at the highest or middle rate if the condition in section 72(2)(a) (care component of disability living allowance) of that Act did not apply.

(4) In this Part a “**work-related**” course of training or education means a course of training or education, the sole or primary

purpose of which is (in the opinion of an adjudication officer) to improve a person's prospects of securing employment. **22**.

9 Substitution of regulation 11

For regulation 11 (further provision as to remunerative work), including its heading, substitute —

11 Further provision as to remunerative work

- (1) Determine whether, for the purposes of regulation 87(5) (determination of appropriate applicable amount) and paragraph 4 of Schedule 7, the work which a person who is treated as engaged and normally engaged in remunerative work under regulation 7 does is for not less than 24 hours per week in accordance with regulations 8, 9 and 10.

This paragraph is subject to paragraph (2).

- (2) For the purposes of paragraph (1), in the case of a person (P) to whom —
 - (a) any of regulations 7A, 7B or 7H to 7K applies; or
 - (b) if the youngest or only child for whom P is responsible is not aged 13 years or over, regulation 7G applies,regulations 8 and 9 are to be read as if for “the minimum hours or the minimum aggregable hours” there were substituted “24 hours”. **22**.

PART 3 – TRANSITIONAL ADDITION

10 Insertion of Part 7A

After regulation 86 (applicable amounts of housing costs of boarders) insert —

PART 7A – TRANSITIONAL ADDITION

86A Transitional addition: introduction

- (1) This regulation applies to a claimant (“C”) who makes a relevant claim if the conditions specified in regulation 86B are met.
- (2) If this regulation applies to C, for the purposes of determining the appropriate applicable amount under regulation 87 there is applicable to C a transitional addition.
- (3) A claim is a “**relevant claim**” if the first day of the period in respect of which the claim is made is —

- (a) on or after 2 June 2020; and
- (b) before 1 June 2021.

86B Conditions for a transitional addition

- (1) The conditions referred to in regulation 86A(1) are specified in paragraphs (2) to (6).
- (2) The condition is that —
 - (a) any of regulations 7C to 7F applies to C; or
 - (b) regulation 7G applies to C and the minimum hours which C must work to meet the minimum work requirement in C's case are the ones specified in regulation 7G(3)(b).
- (3) The condition is that C makes a claim (“**C's first claim**”) and —
 - (a) the first day of the period in respect of which the claim is made is before 2 June 2020; and
 - (b) the last day of the period in respect of which the claim is made is on or after 2 June 2020.
- (4) The condition is that C makes a claim (a “**later claim**”) and the first day of the period in respect of which the claim is made begins on the day immediately following —
 - (a) the last day of the period in respect of which the first claim is made; or
 - (b) the last day of the period in respect of which another later claim is made.
- (5) The condition is that the number of hours of work which C undertakes for the purposes of C's first claim is less than —
 - (a) if C does not have a partner, the number of hours which C works for the purposes of C's later claim; or
 - (b) if C has a partner, the sum of C's and C's partner's aggregable hours for the purposes of C's later claim.
- (6) The condition is that the sum of C's extra weekly transport costs and C's extra weekly child care costs is greater than the amount of C's extra normal weekly earnings.

86C Amount of a transitional addition

The amount of a transitional addition is equal to the difference between —

- (a) the sum of C's extra weekly transport costs and C's extra weekly child care costs; and
- (b) the amount of C's extra normal weekly earnings.

86D Interpretation of Part 7A

(1) In regulation 86B “**minimum work requirement**”, “**minimum hours**” and “**aggregable hours**” have the meanings given in regulation 10.

(2) In regulations 86B and 86C “**C’s extra weekly transport costs**” is the amount (if more than zero) ETC as calculated in accordance with the formula –

$$ETC = (LCTC - FCTC) \times 100/70.$$

(3) In paragraph (2) –

“**LCTC**” means–

(a) if C does not have a partner, the amount of C’s reasonable transport costs which C incurs in travelling to and from C’s place of work insofar as C is engaged and normally engaged in remunerative work for the purposes of C’s later claim; or

(b) if C has a partner, the sum of the reasonable transport costs which C and C’s partner incur in travelling to and from C’s and C’s partner’s places of work insofar as C is engaged and normally engaged in remunerative work for the purposes of C’s later claim; and

“**FCTC**” means the amount of C’s reasonable transport costs which C incurs in travelling to and from C’s place of work insofar as C is engaged and normally engaged in remunerative work for the purposes of C’s first claim.

(4) In regulations 86B and 86C “**C’s extra weekly child care costs**” is the amount ECC as calculated in accordance with the formula –

$$ECC = (LCCC - FCCC) \times 100/70.$$

But this is subject to paragraph (5).

(5) If ECC, as calculated in accordance with the formula in paragraph (4), is greater than £75.00, ECC is to be taken to be £75.00.

(6) In the formula in paragraph (4) –

“**LCCC**” means the amount of relevant child care charges incurred by C for the purposes of C’s later claim; and

“**FCCC**” means the amount of relevant child care charges incurred by C for the purposes of C’s first claim.

(7) In this regulation “**relevant child care charges**” is to be construed in accordance with regulations 68 and 69.

(8) In regulations 86B and 86C “**C’s extra normal weekly earnings**” is the difference (if more than zero) between –

- (a) C's normal weekly earnings under Chapter 2 of Part 5 for the purposes of C's later claim; and
- (b) C's normal weekly earnings under that Chapter for the purposes of C's first claim. ⁵

11 Amendment of regulation 87

In regulation 87 (determination of appropriate applicable amount) after paragraph (11) insert —

- ⁶(11A) In respect of a claimant or, if the claimant is a member of a couple, in respect of that couple, to whom a transitional addition is applicable under Part 7A, the amount of that addition calculated in accordance with that Part in relation to the claimant or couple. ⁵

PART 4 – REVOCATION

12 Revocation

The Employed Person's Allowance (General) (Amendment) (No. 2) Regulations 2018⁵ are revoked.

MADE 10 APRIL 2019

Minister for the Treasury

⁵ SD 2018/0315.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make a number of amendments to the Employed Person's Allowance (General) Regulations 2011 ("the Employed Person's Allowance Regulations").

Part 1 is introductory (the title and commencement of the Regulations and the introduction of the amendments).

Part 2 amends the Employed Person's Allowance Regulations as to the minimum number of hours which a person must work in order to be treated as engaged and normally engaged in remunerative work for the purposes of a claim for employed person's allowance ("EPA"). As a result of those changes, some categories of people claiming EPA will have to work a greater number of hours to qualify for benefit. Part 2 also includes provision allowing the number of hours worked by both members of a couple to be taken into account in determining whether a person is engaged and normally engaged in remunerative work.

Part 3 introduces a transitional addition to apply to claimants making claims for EPA between 2 June 2020 and 31 May 2021 in determining the appropriate applicable amount in their case. The addition applies if the sum of the claimant's (and in some cases, their partner's) extra weekly transport and their extra weekly child care costs is greater than the amount of their extra normal weekly earnings before and after the amendments made by Part 2 have effect in their case.

Part 4 revokes Employed Person's Allowance (General) (Amendment) (No. 2) Regulations 2018⁶, which did not come into effect and which are superseded by these Regulations.

⁶ SD 2018/0315.