

Department for Work and Pensions

DECISION MAKING AND APPEALS (PART OF LEGAL GROUP)

Decision Makers Guide

Volume 3 Amendment 51 – June 2016

1. This letter provides details on Amendment 51; the changes have already been incorporated in to the Intranet and Internet versions of the DMG.
2. PDF amendment packages are also available. These can be printed with the amended pages being reproduced in full. Each page will contain the amendment number in the footer

PDF amendment packages can be found on the **Intranet** at:

<http://intranet/1/lg/acileeds/guidance/decision%20makers%20guide/index.asp>

or on the **Internet** at the 'Amdt Packages' tab on the following link:

<http://www.dwp.gov.uk/publications/specialist-guides/decision-makers-guide/>

Note: When printing PDF packages set the print properties to Duplex/Long Edge in order to produce double sided prints.

3. Amendment 51 affects abbreviations, chapters 8, 12, 13&15. The changes make amendments to
 - Chapter 8 incorporation of DMG Memo 11/16
 - Chapter 12 incorporation of DMG Memo 6/16
 - Chapter 13 amendments to Annexes 6 and 7 to take account of the change to the National Minimum Wage
 - Chapter 15 Reference to National living wage added, amendment to service user groups, note added re Scottish rate of Income tax. Added effect of DMG 12/15 – pension flexibilities. Amended and renumbered following SI 267/16 which omits Reg 4(2) of the C of E Regs.
4. The last two amendment packages amending Volume 3 were
Amendment 50 [February 2016]
Amendment 49 [October 2015]
5. If using a PDF amendment package remove the sheets as stated in the left hand column of the Remove and Insert table below and insert the new sheets as stated in the right hand column (note the record of amendments at the back of the Volume).

Remove**abbreviations**

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Chapter 8

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08001 – 08199 (12 pages)

08350 – 08389 (1 page)

08501 – 08999 (4 pages)

Chapter 12

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Chapter 15

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Insert**abbreviations**

LCW – YT (3 pages)

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Chapter 13

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Chapter 15

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LCW	Limited capability for work
LCWA	Limited capability for work assessment
LCWRA	Limited capability for work related activity
LEA	Local Education Authority
LEC	Local Enterprise Council
LEL	Lower Earnings Limit
LETS	Local Exchange Trading System
LPP	Lone Parent Premium
LPRO	Lone Parent run-on
LQPM	Legally Qualified Panel Member
LRP	Liable Relative Payment
LSC	Learning and Skills Council
LT	Linking Term
LTACP	Living Together as Civil Partners
LTAMC	Living Together as Married Couple
LTAHAW	Living Together as Husband And Wife
MA	Maternity Allowance
MAP	Maternity Allowance Period
MB	Maternity Benefit
MDB	Miscellaneous Diseases Benefit
MG	Maternity Grant
MID	Mortgage Interest Direct
MIRO	Mortgage Interest run-on
MP	Member of Parliament
MPP	Maternity Pay Period
MSC	Maximum Savings Credit
MSP	Member of the Scottish Parliament
NASS	National Asylum Support Service
NCET	National Council for Education and Training
NCIP	Non-Contributory Invalidation Pension
ND	New Deal
NDLP	New Deal for Lone Parents
NDP	New Deal for Partners
NDYP	New Deal for Young People
ND18-24	New Deal for 18-24 year olds
ND25+	New Deal for claimants aged 25 years and over
NHS	National Health Service
NI	National Insurance
NINO	National Insurance Number
NMW	National Minimum Wage

NRP	Non-Resident Parent
NVQ	National Vocational Qualification
OOT	Own Occupation Test
OPB	One Parent Benefit
PA	Personal Adviser
PAYE	Pay As You Earn
PB and MDB	Pneumoconiosis, Byssinosis and Miscellaneous Diseases Benefits scheme
PCA	Personal Capability Assessment
PD	Prescribed Disease
PETA	Personal Expenses Transitional Addition
PFA	Person(s) From Abroad
PIE	Period of Interruption of Employment
PILON	Pay In Lieu Of Notice
PILOR	Pay In Lieu Of Remuneration
PIP	Personal Independence Payment
PIW	Period of Incapacity for Work
PLCW	Period of limited capability for work
PLCWA	Period of limited capability for work assessment
PO	Post Office
POAOB	Payment on Account of Benefit
POA	Power of Attorney
PP	Pensioner Premium
PR	Preserved Right
PSIC	Person Subject to Immigration Control
P/T	Part-Time
PW	Pay-Week
PWC	Person With Care
PWHL	Permitted Work Higher Limit
PWHLs	Permitted Work Higher Limit subsequent period
PWK	Permitted Work
PWLL	Permitted Work Lower Limit
PWP	Permitted Work Period
QB	Qualifying Benefit
QBP	Qualifying Benefit or Pension
QD	Qualifying Days
QEF	Qualifying earnings factor
QI	Qualifying Income
QP	Qualifying Period

QRW	Qualifying remunerative work
QW	Qualifying Week
QWfl	Quarterly Work-focused interview
RA	Retirement Allowance
RBD	Reduced Benefit Direction
RCH	Residential Care Home
REA	Reduced Earnings Allowance
Reg(s)	Regulation(s)
Res A	Residential Allowance
RISWR	Redundant Iron and Steel Employees re-adaptation scheme
RMPS	Redundant Mineworkers Payment scheme
RP	Retirement Pension
RQC	Relevant Qualifying Condition
RVU	Relationship Validation Unit
S	Section (of an Act)
S2P	State Second Pension
SAP	Shared Additional Pension
SAYE	Save As You Earn
SB	Sickness Benefit
SC	Savings Credit
Sch	Schedule (as in an Act)
SCT	Savings Credit Threshold
SDA	Severe Disablement Allowance
SDM	Sector Decision Maker
SDP	Severe Disability Premium
S/E	Self-Employed
Sec	Section (of an Act)
SED	Scottish Education Department
SERPS	State Earnings Related Pension Scheme
Sev DP	Severely Disabled Person
SF	Social Fund
SFFP	Social Fund Funeral Payment(s)
SFO	Social Fund Officer
SHA	Special Hardship Allowance
SI	Statutory Instrument
SIR	Standard Interest Rate
SJP	Supervised Jobsearch Pilot Scheme
SMG	Standard Minimum Guarantee
SMP	Statutory Maternity Pay
SP	State Pensions

SPC	State Pension Credit
SpTA	Special Transitional Addition
SPW	Supported Permitted Work
SRPS	Shipbuilding Redundancy Payment Scheme
SS	Social Security
SS benefits	Benefits payable under SS(CB) Act 92
SSMG	Sure Start Maternity Grant
SSP	Statutory Sick Pay
STCP	Skills Training Conditionality Pilot
Supp B	Supplementary Benefit
SVQ	Scottish Vocational Qualification
TA	Transitional Addition
TAW	Temporary Allowance for Widow(ers)
TBI	Total Benefit Income
TD	Trade Dispute
TE	Transitional Element
TEC	Training and Enterprise Council
TFEU	Treaty on the Functioning of the European Union
TS	Tribunals Service
TU	Trade Union
UB	Unemployment Benefit
UC	Universal Credit
UCP	Urgent Case Payment
UEL	Upper Earnings Limit
UK	United Kingdom
US	Unemployability Supplement
UT	Upper Tribunal
VAT	Value Added Tax
VSO	Voluntary Sector Option of New Deal for young people
WA	Widow's Allowance
WB	Widow's Benefit
WBLA	Work Based Learning for Adults
WBLfYP	Work Based Learning for Young People
WBTfA	Work Based Training for Adults
WBTfYP	Work Based Training for Young People
WC	Workmen's Compensation
WC(S)	The Workmen's Compensation (Supplementation) Scheme

WC (Supp)	Workmen's Compensation (supplementation) scheme
WCA	Work capability assessment
WDisP	War Disablement Pension
WFHRA	Work focused health related assessment
Wfi	Work-focused Interview
WFP	Winter Fuel Payment
WFTC	Working Families Tax Credit
WMA	Widowed Mother's Allowance
WMA(C)	WMA payable where late husband entitled to Cat C retirement pension
WP	Widow's Pension
Wp	Work programme
WPA	Widowed Parent's Allowance
WP(C)	Widow's Pension payable where late husband entitled to Cat C retirement Pension
WPT	Widow's Payment
WRAC	Work-related activity component
WRAG	Work-related activity group
WTB	Work and training beneficiary(ies)
WTC	Working Tax Credit
WtWB	Welfare to Work Beneficiary
WWP	War Widow's Pension/War Widower's Pension
YT	Youth Training

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Chapter 08 - Payment of benefit/Deductions from benefit

Time and manner of payments

General

08001 The Secretary of State must pay benefit as soon as is reasonably practicable once an award has been made¹. In practice, benefits are generally paid into a claimant's bank account, known as direct payment, on a day and at an interval set out in legislation. Payment may also be made by means of the SimP service, and at other times.

1 SS (C&P) Regs, reg 20

08002 Guidance on payment of benefit follows but other guidance on this subject may be found in benefit specific DMG Chapters:-

1. IS/JSA Chapter 33
2. ESA Chapter 46
3. AA/DLA Chapter 61
4. SPC Chapter 79.

Note 1: ADM Chapter B1 contains guidance on the payment of UC, PIP, new style ESA and new style JSA.

Note 2: ADM Chapter M1 contains guidance on the meaning of new style ESA and new style JSA.

08003 - 08005

Direct payment

08006 Direct payment is the Department's official term for what was formerly called automated credit transfer. The regulations currently use the term "direct credit transfer"¹.

1 SS (C&P) Regs, reg 21

08007 The Secretary of State may pay benefit, by DCT, into a bank or other account nominated by

1. the person entitled to the benefit **or**
2. a person acting on their behalf¹.

1 SS (C&P) Regs, reg 21(1)

08008 In relation to joint-claim JSA, the person entitled to benefit is the member of the joint-claim couple who is nominated to receive the benefit¹.

1 SS (C&P) Regs, reg 21(5A)

08009 Benefit paid by direct payment will be paid within seven days of the last day of each successive period of entitlement¹ i.e. interval of payment. In respect of IS, it will be paid within seven days of the time determined for the payment of IS². However the Secretary of State may make different arrangements for paying³

1. arrears of benefit⁴ **or**
2. benefit when the award is ended or for any similar purpose⁵.

1 SS (C&P) Regs, reg 21(3); 2 reg 21(3A); 3 reg 21(4); 4 reg 21(4)(a); 5 reg 21(4)(b)

08010 Payments can be made by direct payment to

1. persons under the age of 18¹
2. persons listed in DMG 08355 after the death of the claimant² **and**
3. appointees³

and payment by this means will discharge the Secretary of State's liability to make payment.

1 SS (C&P) Regs, reg 29; 2 reg 30(2)(a); 3 reg 33(3)

Simple Payment service

08011 The SimP service is a method of paying benefit which is specifically designed for those claimants who, for the purposes of receiving their benefit payments, are unable to make use of mainstream accounts such as

1. a bank account
2. a building society account
3. a basic bank account
4. a credit union account
5. a PO account.

08012 Payments made under the SimP service are based on an electronic transfer of funds and should be treated as a direct payment.

Treatment of fractions of a penny

08013 For all benefits other than MA, if the amount payable includes a fraction of a penny, the amount is rounded down if it is less than half a penny, otherwise it is rounded up to the next penny¹. If the amount of MA includes a fraction of a penny, it is rounded up to the next penny².

1 SS (C&P) Regs, reg 28(1); 2 reg 28(2)

Definition of long term benefit

08014 Long term benefits¹ are

1. RP of any category

2. SP
3. SAP
4. WMA
5. WP
6. WPA
7. BA
8. AA/DLA
9. CA
10. IIDB.

1 SS (C&P) Regs, reg 2(1)

Definition of working age benefit

08015 Working age benefits¹ are

1. BA
2. ESA
3. IB
4. IS
5. JSA
6. WMA
7. WPA
8. WP.

1 SS (C&P) Regs, reg 2(1)

08016 - 08019

Payment of benefits

RP

General

08020 Legislation provides that RP is paid in different ways depending on when the person reaches pensionable age and their circumstances at that time.

Identification

08021 The following criteria are used to identify which system applies to the time and manner of payment of RP for a particular person. If the person

1. reaches pensionable age before 6.4.10¹ **or**
2. is a man², who reaches pensionable age on or after 6.4.10 **and**
 - 2.1 was in receipt of SPC for any period which begins on the day four months and four days before the day on which he reaches pensionable age and ends on 5.4.10 **or**
 - 2.2 was in continuous receipt of SPC from 5.4.10 until at least the first day of the period of four months and four days which ends immediately before the day on which he reaches pensionable age

these are “old” cases and guidance in DMG 08023 - 08027 applies. The guidance in DMG 08028 - 08042 applies to all other cases referred to as “new” cases in this guidance.

Note: The period of four months and four days does not include the day they reach pensionable age. If the date they reach pensionable age is 7.9.10, they must have continued to be in receipt of SPC until at least 3.5.10.

1 SSA (C&P) Regs, reg 22C(1); reg 26BA(1); 2 reg 22C(7)

Pensionable age

08022 Pensionable age¹ is

1. 65 years for a man **or**
2. 60 years for a woman born before 6.4.50 **or**
3. the date in Appendix 3 to DMG Chapter 15 for a woman born between 6.4.50 and 5.4.55 **or**
4. 65 years for a woman born on or after 6.4.55.

1 SSA Act 92, s 191; Pensions Act, Sch 4, para 1

RP - “old cases”

Pay day

08023 The pay day for RP is Monday¹

except

1. when a person became entitled to RP before 28.9.84, when it is payable on Thursdays
2. where
 - 2.1 a woman was entitled to a WB **or**
 - 2.2 a person was entitled to a BB

immediately before becoming entitled to RP, the RP payday will be the same as the payday determined in accordance with that benefit

3. where a woman becomes entitled to RP immediately following the payment to her husband of an increase of RP for her. Her RP is payable on the same day as her husband's
4. where a particular day has become the appropriate day for any person for the payment of RP. That day remains unchanged
5. the Secretary of State may where payment is by direct payment or in the circumstances of any particular case arrange for the pension to be paid on any day of the week². When this happens the DM will be advised and should take into account the changed pay-day when awarding benefit.

1 SS (C&P) Regs, reg 22; Sch 6, para 5; 2 reg 22C(4)

Interval of payment

08024 RP may be paid at intervals of¹

1. four weeks in arrears
2. weekly in advance
3. where the beneficiary agrees, not exceeding 13 weeks in arrears
4. where the weekly amount of benefit is less than £5.00, as specified by the Secretary of State not exceeding 12 months².

1 SS (C&P) Regs, reg 22(1); 2 reg 22(2)

Day payment starts and date of change in the amount of benefit

08025 If the earliest date of entitlement to RP is not the first day of the benefit week, - see DMG 08027 - entitlement starts and benefit is payable from the first day of the following benefit week¹.

1 SS (C&P) Regs, reg 16(1)

08026 When there is a change in the rate of RP, including termination of the award, the change, if it would otherwise take effect on a day which is not the first day of the benefit week, takes effect from the first day of the following benefit week¹. The exception to this is if the reason for the termination is the death of the claimant. In this case the award is terminated from the first day of the benefit week immediately following the date of death².

1 SS (C&P) Regs, reg 16(2); 2 reg 16(2D)

Benefit week

08027 The first day of the benefit week is the day of the week on which the benefit is payable¹.

1 SS (C&P) Regs, reg 16(3)(c)

RP - “new cases”

Pay day

08028 The person’s pay day is determined by the last two digits of their NINO either

1. as is shown in the following table¹-

NINO	Pay day
00 - 19	Monday
20 - 39	Tuesday
40 - 59	Wednesday
60 - 79	Thursday
80 - 99	Friday

or

2. on any other day of the week in particular cases as the Secretary of State may arrange².

1 SS (C&P) Regs, reg 22C(2); reg 22C(3); 2 reg 22C(4)

Interval of payment

08029 RP will normally be paid four weeks in arrears¹. The Secretary of State may arrange to pay RP

1. weekly in arrears
2. fortnightly in arrears
3. with the agreement of the beneficiary, 13 weeks in arrears²
4. If the weekly amount of RP is less than £5.00, in arrears at intervals not exceeding 12 months³.

1 SS (C&P) Regs, reg 22(1); reg 22C(2); 2 reg 22C(2); reg 22C(5); 3 reg 22C(6)

Day payment starts and date of change in the amount of benefit

08030 RP is payable from the first day of entitlement¹ if

1. that day is the first day of the benefit week **or**
2. it is not the first day of the benefit week but the circumstances in DMG 08031 apply.

1 SS (C&P) Regs, reg 16(1D); reg 22D(1); reg 22D(2)

08031 The circumstances in DMG 08030 **2.** are¹

1. the person has not deferred entitlement to RP **and**
2. either that person
 - 2.1 was in receipt of a working age benefit for a day in the period of eight weeks and one day which ends immediately before the person reaches pensionable age **or**
 - 2.2 has reached pensionable age and is a dependent spouse of a person who is in receipt of an ADI under certain legislation².

1 SS (C&P) Regs, reg 16(1D); reg 22D; 2 SS CB Act 92, s 83 & 84

08032 In any other case entitlement starts and RP is payable from the first day of the following benefit week¹. No benefit is payable for any days before that day.

1 SS (C&P) Regs, reg 16(1D)

08033 Any change in the rate of RP takes effect from the date of change¹ if

1. that day is the first day of the benefit week **or**
2. it is not the first day of the benefit week but the circumstances in DMG 08034 apply.

1 SS (C&P) Regs, reg 16(2E)

08034 The circumstances referred to in DMG 08033 **2.** are¹

1. the change of rate is caused by annual uprating **and**
2. the change takes effect later in the same benefit week that the person first became entitled to RP **and**
3. the person has not deferred entitlement to RP² **and**
4. either the person
 - 4.1 was in receipt of a working age benefit for a day in the period of eight weeks and one day which ends immediately before the day they reach pensionable age **or**
 - 4.2 has reached pensionable age and is a dependent spouse of a person who is in receipt of an ADI under certain legislation³.

1 SS (C&P) Regs, reg 16(2E); reg 22D(2); 2 reg 22D(3); 3 SS CB Act 92, s 83 & 84

08035 If the change is annual uprating and the circumstances in DMG 08034 do not apply, any change in the rate of RP takes effect from¹

1. the date of change, if that is the first day of the benefit week **or**
2. the first day of the following benefit week.

1 SS (C&P) Regs, reg 16(2F)

08036 In any other case, the change is effective from the first day of the benefit week in which the change occurs¹.

1 SS (C&P) Regs, reg 16(2E)

Termination of award on death

08037 When the person dies, the award of RP is terminated from the first day of the benefit week immediately following the date of death¹.

1 SS (C&P) Regs, reg 16(2D)

Benefit week

08038 The first day of the benefit week for RP which is paid in arrears is¹ the first day of a seven day period which ends on the day on which benefit is payable in accordance with DMG 08028.

1 SS (C&P) Regs, reg 16(3)(c)(ii)

Daily payment

08039 RP can be paid for individual days where¹

1. RP is payable from the first day of entitlement as in DMG 08030 **2. and**
2. the first day of entitlement is not the first day of the benefit week.

1 SS (C&P) Regs, reg 22D(1); reg 22D(2)

08040 It is paid at the daily rate for the period from the first day of entitlement to the last of that benefit week.

08041 When considering daily payment of RP, benefit week means the period of seven days which ends on the day on which benefit is payable as in DMG 08028¹.

1 SS (C&P) Regs, reg 22D(5)

08042 The daily rate of RP is 1/7th of the weekly rate of that benefit¹. The appropriate weekly rate is that which would have applied in respect of that day if entitlement had started on the first day of that benefit week.

1 SS (C&P) Regs, reg 22D(4)

08043 - 08049

SP

Date of entitlement for the purposes of payment

08050 Except when payable at a daily rate¹, a claimant is entitled to SP from

1. the first day of the benefit week **or**
2. if it is not the first day of the benefit week, the first day of the next following benefit week².

1 SS (C&P) Regs, reg 22DA; 2 reg 16(1E)

Effective date of change of rate

08051 Except where a change of rate is caused by annual uprating¹ any change in the rate of SP takes effect

1. from the date of change, if that day is the first day of the benefit week **or**
2. if it is not the first day of the benefit week, from the start of the benefit week in which the change occurs².

1 SS A Act 92, s 150, 150A, 151A; SS (C&P) Regs, reg 16(2H); 2 reg 16(2G)

08052 Where a change of rate is caused by annual uprating¹ any change in the rate of SP takes effect from

1. the first day of the benefit week **or**
2. if it is not the first day of the benefit week, the first day of the next following benefit week².

1 SSA Act 92, s 150, 150A, 151A; 2 SS (C&P) Regs, reg 16(2H)

Pay day

08053 A SP claimant's pay day is determined by the last two digits of their NINO either

1. as is shown in the following table¹

NINO	Pay day
00 to 19	Monday
20 to 39	Tuesday
40 to 59	Wednesday
60 to 79	Thursday
80 to 99	Friday

or

2. on any other day that the Secretary of State may choose².

1 SS (C&P) Regs, reg 22CA(4)(a); 2 reg 22CA(4)(b)

Interval of payment

08054 SP is paid in arrears¹. The Secretary of State may arrange to pay SP at intervals of

1. one week²
2. two weeks, if the claimant was in receipt of a working age benefit which was paid fortnightly, immediately before becoming entitled to SP³
3. four weeks⁴
4. thirteen weeks if the claimant agrees⁵
5. such length not exceeding twelve months as the Secretary of State may choose⁶, if

5.1 the Secretary of State makes a direction specifying that length **and**

5.2 the amount of SP payable is less than £5.00 per week.

*1 SS (C&P) Regs, reg 22CA(2); 2 reg 22CA(3)(a); 3 reg 22CA(3)(b); 4 reg 22CA(3)(c); 5 reg 22CA(3)(d);
6 reg 22CA(3)(e)(i) & (ii)*

Payment at a daily rate

08055 SP is paid at a daily rate where¹

1. the day on which the claimant's first benefit week begins is after
 - 1.1 the day on which the claimant reaches pensionable age² **or**
 - 1.2 where the claimant has deferred their SP under specified legislation³, the first day in respect of which the claimant makes a claim for their SP⁴ **or**
2. the day on which the claimant's last benefit week begins is before the day on which the claimant dies⁵.

*1 SS (C&P) Regs, reg 22DA(1); 2 reg 22DA(1)(a)(i); 3 Pensions Act 14 s 16 & 17; 4 reg 22DA(1)(a)(ii);
5 reg 22DA(1)(b)*

08056 The period for which a daily rate is to be paid is¹

1. where DMG 08055 1.1 or 1.2 applies, the period
 - 1.1 beginning on the day on which the claimant reaches pensionable age or the first day in respect of which the claimant makes a claim for SP²
and
 - 1.2 ending on the day before the day on which the claimant's first benefit week begins³ **or**

2. where DMG 08055 2. applies, the period beginning on the day on which the claimant's last benefit week begins and ending on the day on which the claimant dies⁴.

1 SS (C&P) Regs, reg 22DA(2); 2 reg 22DA(2)(a)(i); 3 reg 22DA(2)(a)(ii); 4 reg 22DA(2)(b)

Amount of daily rate

- 08057 The daily rate at which SP is payable is 1/7th of the claimant's weekly rate which would have had effect on the day if a weekly rate had been payable¹.

1 SS (C&P) Regs, reg 22DA(3)

Benefit week

- 08058 A "benefit week"¹ means the period of 7 days ending on the day on which the claimant's SP is payable in accordance with specified legislation².

1 SS (C&P) Regs, reg 22DA(4); 2 reg 22CA(4)

08059 – 08079

WMA, WPA, BA and WP

Pay day

- 08080 Awards of WMA, WPA, BA, WP

1. made before 6.4.09 and not migrated, are payable on
 - 1.1 Tuesdays **or**
 - 1.2 such other day as the Secretary of State may determine where payment is by direct payment or in the circumstances of any particular case **or**
 - 1.3 a day which has become the appropriate day for payment for one of these benefits¹
2. made from 6.4.09, or made prior to that date and have been migrated, are payable on²
 - 2.1 the day specified based on the last two digits of their NINO as follows:-

NINO	Pay day
00 - 19	Monday
20 - 39	Tuesday
40 - 59	Wednesday
60 - 79	Thursday
80 - 99	Friday

- 2.2** such other day as the Secretary of State may determine where payment is by direct payment or in the circumstances of any particular case³.

Note: If the Secretary of State changes the claimant's pay day, any days that would have been paid had the change not been made can be paid at the daily rate which is 1/7th of the weekly rate⁴.

1 SS (C&P) Regs, reg 22A(2); 2 reg 22A(3); 3 reg 22A(2); 4 reg 22B(2)

Interval of payment

- 08081 From 6.4.09 these benefits are normally payable fortnightly in arrears¹. Awards before that date may be payable as in DMG 08080 1. but will be migrated to fortnightly in arrears.

1 SS (C&P) Regs, reg 22A(1)

- 08082 The Secretary of State may arrange for payment to be made¹

1. weekly in advance
2. weekly in arrears **or**, with the beneficiary's agreement
3. four weeks in arrears
4. 13 weeks in arrears.

1 SS (C&P) Regs, reg 22A(4)

Day payment starts and date of change in the amount of benefit

- 08083 For awards of BA and WPA made before 6.4.09 if the earliest date of entitlement to benefit is not the first day of the benefit week, entitlement starts and benefit is payable from the first day of the following benefit week¹. From 6.4.09, entitlement starts on the first day that the person satisfies all the conditions² and benefit is paid at the daily rate of 1/7th of the weekly rate³ from the day entitlement starts until the day before the first day of the following benefit week.

1 SS (C&P) Regs, reg 16(1); reg 16(4); 2 reg 22B(1); 3 reg 22B(6)

- 08084 Any change in the rate of BA, WMA, WPA and WP that would take effect from a day other than the first day of the benefit week will take effect from the first day of the following benefit week¹ except where the award is to be terminated².

1 SS (C&P) Regs, reg 16(2A); 2 reg 16(2B)

Termination of award

- 08085 When the award is to be terminated, it takes effect from

1. the date of change, when the benefit is paid in arrears¹ **or**

2. the first day of the following benefit week² when the benefit is paid in advance and the award would terminate on a day other than the first day of the benefit week.

1 SS (C&P) Regs, reg 16(2B); 2 reg 16(2C)

08086 If BA, WMA, WPA and WP are paid in arrears and the award terminates on a day other than the last day of the benefit week, the claimant can be paid at the daily rate for the days from the first day of the final benefit week to the last day of entitlement¹. The daily rate of benefit is 1/7th of the weekly rate².

1 SS (C&P) Regs, reg 22B(3); reg 22B(4); reg 22B(5); 2 reg 22B(6)

Benefit week

08087 For the purpose of determining the first day from which these benefits are payable and the effective date of change of rate of long-term benefits, the first day of the benefit week is

1. before 6.4.09, the day of the week on which the long-term benefit is payable
2. from 6.4.09¹,
 - 2.1 if the benefit is paid in advance, the day of the week on which the benefit is payable
 - 2.2 if paid in arrears, the first day of the period of seven days which ends on the day on which the benefit is payable.

1 SS (C&P) Regs, reg 16(3)(c); reg 22; reg 22A

08088 - 08089

Other long term benefits

Pay day

08090 The pay days for other long term benefits are

1. SAP - Monday¹

except

- 1.1 where RP is payable to the claimant, SAP is payable on the same day as the RP²
- 1.2 the Secretary of State may arrange for SAP to be payable on such other day of the week as he may, in the circumstances of any particular case, determine³
2. AA/DLA⁴
 - 2.1 AA - Monday
 - 2.2 DLA - Wednesday

2.3 the Secretary of State may however pay AA/DLA on some other day of the week

3. CA - Monday⁵. However, where a person is entitled because of receiving a prescribed payment out of public funds⁶, the allowance is paid on Wednesday
4. IIDB (including increases) - Wednesday⁷.

1 SS (C&P) Regs, Sch 6, para 5A; 2 Sch 6, para 5A(a); 3 Sch 6, para 5A(b); 4 Sch 6, para 1; 5 Sch 6, para 4; 6 SS (ICA) Regs, reg 3; 7 SS (C&P) Regs, Sch 6, para 3

Intervals of payment

08091 These long term benefits may be paid at intervals of¹

1. four weeks in arrears
2. weekly in advance
3. where the beneficiary agrees, not exceeding 13 weeks in arrears
4. where the weekly amount of benefit is less than £5.00, as specified by the Secretary of State not exceeding 12 months².

1 SS (C&P) Regs, reg 22(1); 2 reg 22(2)

AA/DLA

08092 DLA may be paid at any interval as long as it is not more than four weeks¹. Both AA and DLA can be paid at a daily rate in specified circumstances - see DMG 61880 - in which case they are paid weekly or as the Secretary of State directs².

1 SS (C&P) Regs, reg 22(1A); reg 22(1B); 2 reg 25

Day payment starts and date of change in the amount of benefit

08093 If the earliest date of entitlement to benefit is not the first day of the benefit week, entitlement starts and benefit is payable from the first day of the following benefit week¹.

1 SS (C&P) Regs, reg 16(1)

08094 When there is a change in the rate of one of these long term benefits, including termination of the award, the change, if it would otherwise take effect on a day which is not the first day of the benefit week, takes effect from the first day of the following benefit week¹.

1 SS (C&P) Regs, reg 16(2)

Benefit week

08095 For the purpose of determining the first day from which these benefits are payable and the effective date of change of rate of long-term benefits, the first day of the benefit week is

1. before 6.4.09, the day of the week on which the long-term benefit is payable
2. from 6.4.09¹
 - 2.1 if the benefit is paid in advance, the day of the week on which the benefit is payable
 - 2.2 if paid in arrears, the first day of the period of seven days which ends on the day on which the benefit is payable.

1 SS (C&P) Regs, reg 16(3)(c); reg 22; reg 22A

08096 - 08099

IB, MA and SDA

Pay day

08100 Awards made from 6.4.09 will be paid on

1. the day specified based on the last two digits of their NINO as follows¹-

NINO	Pay day
00 - 19	Monday
20 - 39	Tuesday
40 - 59	Wednesday
60 - 79	Thursday
80 - 99	Friday

2. such other day as the Secretary of State may determine where payment is by direct payment or in the circumstances of any particular case².

1 SS (C&P) Regs, reg 24(1A); reg 24(1C); 2 reg 24(1B)

Interval of payment

08101 Although these benefits may be paid for individual days, payment is normally fortnightly in arrears¹ unless

1. the weekly amount of IB or SDA is less than £1.00 when it can be paid in arrears at four weekly intervals²
2. the weekly amount of IB is less than £5.00 after reduction for pension payments under relevant legislation³, when it can be paid in arrears at any interval not exceeding 12 months
3. other benefits are in payment
4. the Secretary of State arranges otherwise.

1 SS (C&P) Regs, reg 24(1); 2 reg 24(3); 3 reg 24(3A); SS CB Act 92, s 30DD

08102 - 08109

SPC

General

08110 Legislation provides that SPC is paid in different ways depending on when the person reaches pensionable age and their circumstances at that time.

Identification

08111 The following criteria are used to identify which system applies to the time and manner of payment of SPC for a particular person. If the person

1. reaches pensionable age before 6.4.10¹ **or**
2. is a man², who reaches pensionable age on or after 6.4.10 **and**
 - 2.1 was in receipt of SPC for any period which begins on the day four months and four days before the day on which he reaches pensionable age and ends on 5.4.10 **or**
 - 2.2 was in continuous receipt of SPC from 5.4.10 until at least the first day of the period of four months and four days which ends immediately before the day on which he reaches pensionable age

these are “old” cases and guidance in DMG 08114 - 08118 applies. The guidance in DMG 08119 - 08123 applies to all other cases referred to as “new” cases in this guidance.

Note: The period of four months and four days does not include the day they reach pensionable age. If the date they reach pensionable age is 7.9.10, they must have continued to be in receipt of SPC until at least 3.5.10.

1 SS (C&P) Regs, reg 26BA(1); 2 reg 22C(7)

Pensionable age

08112 Pensionable age¹ is

1. 65 years for a man **or**
2. 60 years for a woman born before 6.4.50 **or**
3. the date in Appendix 3 to DMG Chapter 15 for a woman born between 6.4.50 and 5.4.55 **or**
4. 65 years for a woman born on or after 6.4.55.

1 SSA Act 92, s 191; Pensions Act, Sch 4, para 1

08113

SPC - “old” cases

Pay day

08114 SPC is paid on Mondays¹

except

1. if RP or SP is in payment to the claimant, it is paid on the same day as RP or SP²
2. on such other day as the Secretary of State may determine where payment is by direct payment or in the circumstances of any particular case³.

1 SS (C&P) Regs, reg 26B(1); 2 reg 26B(2)(a); 3 reg 26B(2)(b)

Interval of payment

08115 SPC is payable weekly in advance¹ unless the weekly amount of SPC is less than £1.00 when it may be paid at some other interval not exceeding 13 weeks².

1 SS (C&P) Regs, reg 26B(4); 2 reg 26B(5)

Day payment starts and date of change in the amount of benefit

08116 Where the earliest date of entitlement to SPC is not the first day of the benefit week, entitlement starts and SPC is payable from the first day of the following benefit week¹ but in respect of GC it is payable from the first day of entitlement if²

1. immediately before attaining the qualifying age the claimant was entitled to IS, UC, JSA(IB) or ESA(IR) and is awarded SPC from the day qualifying age is obtained **or**
2. the claimant was entitled to JSA(IB) or UC after attaining the qualifying age and is awarded SPC from the day which falls after the date that entitlement ends.

1 SS (C&P) Regs, reg 16A(1); 2 reg 16A(2)

08117 Any change in the rate of SPC that would take effect from a day other than the first day of the benefit week will take effect from the first day of the following benefit week¹.

1 SS (C&P) Regs, reg 16A(3)

Benefit week

08118 Benefit week means where SPC is paid in advance, the period of seven days beginning on the day on which the claimant's SPC is payable¹.

1 SS (C&P) Regs, reg 16A(4); reg 26B

SPC - “new” cases

Pay day

08119 SPC is paid on

1. the day specified based on the last two digits of their NINO as follows¹-

NINO	Pay day
00 - 19	Monday
20 - 39	Tuesday
40 - 59	Wednesday
60 - 79	Thursday
80 - 99	Friday

2. such other day as the Secretary of State may determine where payment is by direct payment or in the circumstances of any particular case².

1 SS (C&P) Regs, reg 26BA(2); 2 reg 26BA(3)

Interval of payment

08120 SPC will normally be payable four weekly in arrears. In certain circumstances the Secretary of State may arrange to pay it weekly or fortnightly¹. If the weekly amount of SPC is less than £1.00 it may be payable at any interval not exceeding 13 weeks².

1 SS (C&P) Regs, reg 26BA(1); 2 reg 26BA(4)

Day payment starts and date of change in the amount of benefit

08121 Where the earliest date of entitlement to SPC is not the first day of the benefit week, entitlement starts and SPC is payable from the first day of the following benefit week¹ but in respect of GC it is payable from the first day of entitlement if²

1. immediately before attaining the qualifying age the claimant was entitled to IS, UC, JSA(IB) or ESA(IR) and is awarded SPC from the day qualifying age is obtained **or**
2. the claimant was entitled to JSA(IB) or UC after attaining the qualifying age and is awarded SPC from the day which falls after the date that entitlement ends.

1 SS (C&P) Regs, reg 16A(1); 2 reg 16A(2)

08122 Any change in the rate of SPC that would take effect from a day other than the first day of the benefit week will take effect from the first day of the following benefit week¹.

1 SS (C&P) Regs, reg 16A(3)

Benefit week

08123 Benefit week means¹

1. where SPC is paid in advance, the period of seven days beginning on the day on which the claimant's SPC is payable
2. where SPC is paid in arrears, the period of seven days ending on the day on which SPC is payable to the claimant.

1 SS (C&P) Regs, reg 16A(4)

08124 - 08129

ESA

Pay day

08130 ESA is paid on

1. the day specified based on the last two digits of their NINO as follows¹-

NINO	Pay day
00 - 19	Monday
20 - 39	Tuesday
40 - 59	Wednesday
60 - 79	Thursday
80 - 99	Friday

2. such other day as the Secretary of State may determine where payment is by direct payment or in the circumstances of any particular case².

1 SS (C&P) Regs, reg 26C(1); reg 26C(2); 2 reg 26C(4)

08131 Where the day on which ESA is payable is changed, it is paid at a daily rate of 1/7th of the weekly rate for any days for which payment would have been made but for that change¹.

1 SS (C&P) Regs, reg 26C(4)

Office closure

08132 Where ESA is paid in arrears and payment would be affected by the closure of an office of the DWP or PO because of a public holiday, the Secretary of State may decide to make the payment on any day either

1. wholly in advance **or**
2. partly in advance and partly in arrears

in which case it will for any other purposes be treated as if it was paid in arrears¹.

1 SS (C&P) Regs, reg 26C(7)

08133 Public holiday means¹

1. Christmas Day
2. Good Friday
3. any prescribed Bank Holiday²
4. in Scotland, local holidays.

1 SS (C&P) Regs, reg 26; Sch 7, para 2A(1)(a); 2 Banking and Financial Dealings Act 1971

Interval of payment

08134 Normally ESA is payable fortnightly in arrears¹ but the Secretary of State may arrange in a particular case for it to be paid at a different interval². If the weekly amount of benefit is less than £1.00 it can be paid in arrears at intervals not exceeding 13 weeks³ but if weekly entitlement amounts to less than 10 pence that allowance is not payable⁴.

1 SS (C&P) Regs, reg 26C(1); 2 reg 26C(3); 3 reg 26C(5); 4 reg 26C(6)

Benefit week

08135 Benefit week means¹ a period of seven days ending on such day as the Secretary of State may direct.

1 ESA Regs, reg 2(1)

08136 - 08139

IS

Pay day

08140 The Secretary of State may decide on what day to pay IS

1. in respect of any benefit week¹
2. for any part-week².

1 SS (C&P) Regs, reg 26; Sch 7, para 3(2); 2 Sch 7, para 3A

Office closure

08141 Where IS is paid in arrears and payment would be affected by the closure of an office of the DWP or PO because of a public holiday, the Secretary of State may decide to make the payment on any day either

1. wholly in advance **or**
2. partly in advance and partly in arrears

in which case it will for any other purposes be treated as if it was paid in arrears¹.

1 SS (C&P) Regs, reg 26; Sch 7, para 2A(2); Sch 7, para 2A(1)(b); Sch 7, para 2A(3)

08142 Public holiday means¹

1. Christmas Day
2. Good Friday
3. any prescribed Bank Holiday²
4. in Scotland, local holidays.

1 SS (C&P) Regs, reg 26; Sch 7, para 2A(1)(a); 2 Banking and Financial Dealings Act 1971

Interval of payment

08143 IS is normally paid in arrears¹ but will be paid in advance where² the claimant

1. had been involved, or whose partner had been involved, in a trade dispute but who has returned to work with the same employer but such payment will be for only 15 days (beginning with the day the claimant or partner returned to work)
2. is in receipt of WB or BB payable in advance and is not providing or required to provide medical evidence of IfW.

1 SS (C&P) Regs, reg 26; Sch 7, para 1; 2 Sch 7, para 2; Sch 7, para 2ZA

Alignment of IS with relevant SS benefit

08144 Where DMG 08143 does not apply and the claimant is

1. entitled to IS (but see DMG 08145 if entitlement is on the basis of IfW) **and**
2. entitled, or would be entitled to IB, SDA, RP, BB or WB but for
 - 2.1.a failure to satisfy the contribution conditions **or**
 - 2.1.b exhaustion of benefit

IS is paid on the same day at the same interval as the other benefit¹.

1 SS (C&P) Regs, Sch 7, para 3 & 4

08145 IS is paid fortnightly in arrears¹ where

1. DMG 08143 does not apply **and**
2. the claimant is paid IS on the basis of IfW, entitlement to which started on or after 13.4.95 **and**
3. no IB, SDA, RP, BB or WB is paid to the claimant.

1 SS (C&P) Regs, Sch 7, para 3(1A); Sch 7, para 4

08146 Where the weekly amount of IS payable is less than £1.00, it may be payable at any interval not exceeding 13 weeks¹.

1 SS (C&P) Regs, reg 26, Sch 7, para 5

08147 If a claimant's weekly entitlement amounts to less than

1. £5, in the case of a person who had been involved in a trade dispute but has returned to work **or**
2. 10 pence in any other case

no benefit is payable unless the claimant is entitled to another benefit which may be paid together¹.

1 SS (C&P) Regs, reg 26(4)

Date payment starts

08148 Subject to DMG 08150, where IS is payable in arrears, entitlement begins on the date of claim¹.

1 SS (C&P) Regs, Sch 7, para 6(1)

08149 Subject to DMG 08150, where IS is payable in advance, entitlement normally begins on¹

1. the date of claim, if that is the first day of the benefit week **or**
2. the first day of the following benefit week.

1 SS (C&P) Regs, Sch 7, para 6(2)

08150 When IS is awarded for a definite period, which is not a benefit week or a multiple of such a benefit week, entitlement begins on the date of claim regardless of whether it is paid in arrears or advance¹.

1 SS (C&P) Regs, Sch 7, para 6(2A)

08151 In the case of an advance claim¹, an award is made from a date after the date of claim, entitlement starts on the first day that the conditions of entitlement are satisfied² unless the IS is paid in advance when entitlement begins on

1. the first day that the conditions of entitlement are satisfied, if that is the first day of the benefit week **or**
2. the first day of the following benefit week.

1 SS (C&P) Regs, reg 13; 2 Sch 7, para 6(3)

Benefit week

08152 A benefit week is a period of seven days. It is¹

1. the week for which any relevant SS benefit
 - 1.1 is payable, if there is entitlement to such a benefit **or**
 - 1.2 would be payable but for
 - 1.2.a the failure to satisfy contribution conditions **or**
 - 1.2.b exhaustion of entitlement **or**
2. in any other case, a period of seven days beginning or ending on a day decided by the Secretary of State.

1 SS (C&P) Regs, Sch 7, para 4

08153 Relevant benefit means¹ IB, SDA, RP, WB or BB.

1 SS (C&P) Regs, Sch 7, para 4

08154 - 08159

JSA

Benefit Week

08160 A benefit week means¹ a period of seven days ending with the day determined by the last two digits of the claimant's NINO as is shown in the following table unless the Secretary of State arranges otherwise.

NINO	Pay day
00 - 19	Monday
20 - 39	Tuesday
40 - 59	Wednesday
60 - 79	Thursday
80 - 99	Friday

1 JSA Regs, reg 1(3)

Interval of payment

08161 JSA is normally paid fortnightly in arrears unless in any particular case the Secretary of State arranges otherwise¹.

1 SS (C&P) Regs, reg 26A(1)

08162 JSA can be paid at any interval not exceeding 13 weeks if the weekly amount payable is less than £1.00¹ but if the weekly entitlement amounts to less than 10 pence the allowance is not payable².

1 SS (C&P) Regs, reg 26A(3); 2 JSA Regs, reg 87A

Office closure

08163 Where JSA is paid in arrears and payment would be affected by the closure of an office of the DWP or PO because of a public holiday, the Secretary of State may decide to make the payment on any day either

1. wholly in advance **or**
2. partly in advance and partly in arrears

in which case it will for any other purposes be treated as if it was paid in arrears¹.

1 SS (C&P) Regs, reg 26A(2); Sch 7, para 2A(2); Sch 7, para 2A(1)(b); Sch 7, para 2A(3)

08164 Public holiday means¹

1. Christmas Day
2. Good Friday
3. any prescribed Bank Holiday²
4. in Scotland, local holidays.

1 SS (C&P) Regs, reg 26; Sch 7, para 2A(1)(a); 2 Banking and Financial Dealings Act 1971

Date payment starts

08165 The claimant is not usually entitled for the first three days of a JSP. For guidance see DMG 33027.

08166 - 08199

Payments after death

General

08350 The Secretary of State may pay or distribute any sum of benefit which is payable¹ where

1. at their date of death, the claimant had not obtained payment of a sum of benefit to which they were entitled **or**
2. a person dies after making a claim and the Secretary of State has appointed someone to proceed with that claim and any related issue of
 - 2.1 revision **or**
 - 2.2 supersession **or**
 - 2.3 appeal.

1 SS (C&P) Regs, reg 30

08351 The following paragraphs give guidance on how such payment or distribution of sums of benefit is to be carried out.

Automatic payment of arrears to spouse or civil partner

08352 Subject to DMG 08353, if, at the time of their death, the deceased was in receipt of

1. RP **or**
2. SP **or**
3. SPC **or**
4. any other benefit combined for payment purposes with either of these benefits

then, provided that the right to the sum had not been extinguished at the date of death, any arrears of benefit will be paid automatically to a spouse or civil partner on the death of the claimant. No written application is required¹.

1 SS (C&P) Regs, reg 30(4B)

08353 DMG 08352 will only apply where¹

1. no executor or administrator has been appointed **and**
2. the spouse or civil partner was
 - 2.1 living with the claimant at the time of death **or**
 - 2.2 would have been living with the claimant at the time of death if it were not for the fact that one or both of them were in residential care or a nursing home or hospital.

1 SS (C&P) Regs, reg 30(4B)

Other cases

08354 In all other cases, the Secretary of State must have a written application requesting payment of such sums of benefit. The application must be made within 12 months of the date of the deceased's death, or within such longer period as the Secretary of State allows in a particular case¹.

1 SS (C&P) Regs, reg 30(4)

08355 On receipt of the written application, except in the case of joint-claim JSA, the Secretary of State may, provided that the right to the sum had not been extinguished at the date of death, and subject to the guidance in DMG 08358, pay or distribute the sum to or amongst the persons over the age of 16 claiming as

1. personal representatives
2. legatees
3. next of kin **or**
4. creditors

of the deceased¹.

Note: The above list is not in priority order.

1 SS (C&P) Regs, reg 30(2) & (3)

08356 "Next of kin" means, in England and Wales, the persons who would take beneficially on an intestacy, and in Scotland, the persons entitled to the moveable estate of the deceased on intestacy¹.

1 SS (C&P) Regs, reg 30(9)

08357 If part or all of the arrears are for the benefit of a person who is under the age of 16, the Secretary of State can pay the arrears provided that the Secretary of State is satisfied that the arrears will be used for the benefit of the person who is under the age of 16¹

1 SS (C&P) Regs, reg 30(2)(b)

Joint-claim JSA

08358 If the deceased was a member of a joint-claim couple, any sums of joint-claim JSA payable should be paid to the other member of that couple¹.

1 SS (C&P) Regs, reg 30(4)

Extinguishment of right to benefit

08359 The rules on extinguishment of right to benefit¹ apply to these payments. In a case to which DMG 08352 1. applies the period of 12 months is calculated from the date on which the right to payment of any sum is treated as having arisen in relation to any of the persons in DMG 08355².

1 SS (C&P) Regs, reg 38; 2 reg 30(3)

08360 - 08389

Deductions from benefits for child support maintenance

The 2003 scheme

08501 Applications for child support from 3.3.03 are assessed by the Child Support Agency (as it was then known) at a flat rate of maintenance for NRPs in receipt of certain prescribed benefits. DWP are responsible for administering requests from the Child Support Agency to make deductions from the non-resident parent's benefit in respect of this liability.

Benefits affected

08502 Deductions for CSM liability can be made from the following benefits¹

1. BA
2. RP (all categories)
3. IB
4. ESA(C)
5. CA
6. MA
7. SDA
8. IISB
9. WMA
10. WPA
11. WP
12. Training Allowance (other than WBLfYP or Skillseekers)
13. WWP
14. WDisP
15. JSA(C)
16. SP.

Note: Guidance dealing with deductions of CSM from other benefits not listed above can be found in the DMG Chapters specifically dealing with that benefit.

1 SS (C&P) Regs, Sch 9B, para 1

Deductions

- 08503 The Secretary of State may make a deduction from any of the benefits listed above of the amount of maintenance payable, under the scheme, by the claimant and pay it to the PWC¹. That will be a flat rate liability. In addition there is power to make deductions in respect of the transitional amount of maintenance in certain cases when they are converted to this scheme from the previous (1993) scheme².

1 SS (C&P) Regs, Sch 9B, para 2(1); 2 Sch 9B, para 1

- 08504 The Child Support Agency will determine whether a deduction should be made. Preference will be given to making deductions from income-related benefits.

- 08505 A deduction may only be made from one of the specified benefits in any one week¹.

1 SS (C&P) Regs, Sch 9B, para 2(2)

- 08506 No deduction may be made unless there remains at least 10p per week of the benefit in addition to the amount of the deduction¹.

1 SS (C&P) Regs, Sch 9B, para 2(3)

Arrears

- 08507 Except where IS, SPC, JSA(IB) or ESA(IR) is payable to the claimant, the Secretary of State may also deduct £1 per week from any of the benefits listed in DMG 08502 towards arrears of CSM¹. The deduction from arrears is **not** dependent on a deduction being made for flat rate maintenance.

1 SS (C&P) Regs, Sch 9B, para 3

The 2012 scheme

- 08508 A new child maintenance scheme was introduced from 10.12.12¹ operating alongside the 2003 scheme. The Child Maintenance Group (formerly the Child Support Agency) will decide under which scheme the CSM liability will be assessed.

1 Child Maintenance & Other Payments Act 2008 (Commencement No 10 & Transitional Provisions) Order 2012, Art 2(b); Child Support Maintenance Calculation Regs 2012, reg 1

- 08509 A deduction under the 2012 scheme is referred to as a child maintenance deduction (CMD).

- 08510 A NRP may be liable for a CMD at a standard or non-standard rate. This is decided by the Child Maintenance Group.

- 08511 A CMD is made from a specified benefit as listed in DMG 08502¹.

1 SS (C&P) Regs, Sch 9B

Note: Details of specific amounts to be deducted can be found in DMG Chapter 33 (IS & JSA), DMG Chapter 46 (ESA) and DMG Chapter 79 (SPC).

08512 - 08600

Eligible Loans Deductions Scheme

Introduction

08601 The ELDS is a scheme whereby repayment of loans to claimants by certain lenders can be made by deductions from benefits. The purpose of the ELDS is to make affordable loans more accessible to those on low incomes who may not be able to use mainstream financial services. It aims to achieve this by reducing the debt recovery risk of lending to low income customers.

08602 The amendments¹ to regulations² allowing deductions from benefit under the ELDS came into effect on 27.12.06.

1 Social Security (Claims and Payments) (Amendment) (No. 2) Regulations 2006; 2 SS (C&P) Regs

08603 The ELDS allows deductions from all the main income-replacement benefits but the guidance in this Chapter deals only with deductions from CA, IB, RP and SP where these benefits are paid separately. The rules are somewhat different where there is a combined payment of IB with IS or RP with SPC. Guidance dealing with how ELDS applies to these combined payments can be found in DMG Chapter 33 for IB/IS and DMG Chapter 79 for RP/SPC.

08604 - 08610

Definitions

Borrower

08611 “Borrower” means¹ a person who

1. has (either alone or jointly) entered into a loan agreement
 - 1.1 with an eligible lender **and**
 - 1.2 in respect of an eligible loan **and**
2. is entitled to an eligible benefit.

1 SS (C&P) Regs, Sch 9, para 7C(1)

Eligible benefits

08612 “Eligible benefits” are¹ CA, IB, RP, SP, IS, JSA, ESA and SPC.

1 SS (C&P) Regs, Sch 9, para 7C(2)

Eligible lender

08613 “Eligible lender” means¹

1. a credit union within the meaning of specific legislation² **or**
2. one of the following bodies provided it is licensed under specific legislation³
 - 2.1 an industrial or Provident society registered under specific legislation⁴
 - 2.2 a charitable institution within the meaning in specific legislation⁵
 - 2.3 a body entered on the Scottish Charity Register under specific legislation⁶
 - 2.4 with effect from 14.4.05, a community interest company for the purposes of specific legislation⁷

which may be determined by the Secretary of State as an appropriate body to which repayments of loans may be made on behalf of borrowers.

Note 1: A credit union is a mutual association formed by people with a common bond such as employees, a union, or a religious group in which pooled savings are made. It provides members with accessible savings, low cost loans and other financial services.

Note 2: Community Interest Companies are limited companies, with special additional features; created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage. This is achieved by a “community interest test” and “asset lock” which ensure that the CIC is established for community purposes and the assets and profits are dedicated to these purposes. Registration of a company as a CIC has to be approved by the Regulator who also has a continuing monitoring and enforcement role.

1 SS (C&P) Regs, Sch 9, para 7C(1); 2 Credit Union Act 1979, s 1; 3 Consumer Credit Act 1974;

4 Industrial and Provident Societies Act 1965, s 1; 5 Charities Act 1992, s 58(1);

6 Charities and Trustee Investment (Scotland) Act 2005

7 Companies (Audit, Investigations and Community Enterprise Act 2004, s 26

Eligible loan

08614 An “eligible loan” is¹ a loan made by a lender who is, at the time the loan was made, an eligible lender. The regulations specify¹ that the following **are not** eligible loans

1. loans secured by a charge or pledge **and**
2. loans which are for the purposes of business or self-employment **and**
3. loans by means of a credit card.

1 SS (C&P) Regs, Sch 9, para 7C(1)

Loan agreement

08615 “Loan agreement” means¹ an agreement between the eligible lender and the borrower in respect of an eligible loan.

1 SS (C&P) Regs, Sch 9, para 7C(1)

08616 - 08630

Deductions from benefit

08631 A DM may make deductions from one eligible benefit where¹ all of the following conditions are satisfied

1. the borrower has failed to make payments as agreed with the eligible lender for a period of 13 weeks before the date of the application and has not resumed making payments **and**
2. the borrower has given written permission to the eligible lender to provide to the Secretary of State personal data within the meaning of specific legislation² **and**
3. the eligible lender has agreed that no interest or other charge will be added to the amount owed at the date of the application **and**
4. no sum is being deducted from eligible benefit under the ELDS³ **and**
5. no sum is being deducted from the borrowers eligible benefit under the Act to recover an overpayment⁴ at the date of application **and**
6. no sum is being deducted from the borrowers eligible benefit under the Act to recover a social fund award⁵ at the date of the application.

*1 SS (C&P) Regs, Sch 9, para 7C(4); 2 Data Protection Act 1998, s 1;
3 SS (C&P) Regs, Sch 9, para 7C(4); 4 SS A Act 92, s 71(8); 5 s 78*

08632 The Secretary of State may only make deductions if¹ the borrower is entitled to an eligible benefit throughout a benefit week.

1 SS (C&P) Regs, Sch 9, para 7C(6)

Deductions from non income-related benefits

08633 Deductions cannot be made from CA if the borrower is entitled to one of the other eligible benefits (IB, RP, SP, IS, JSA, ESA or SPC) unless that benefit is insufficient (in the case of IS, JSA, ESA or SPC after leaving 10p payable to the claimant) to enable the deduction to be made¹.

1 SS (C&P) Regs, Sch 9, para 7C(7)

08634 Deductions cannot be taken from IB, RP or SP if the borrower is entitled to IS, JSA, ESA or SPC, unless that benefit is insufficient (after leaving 10p payable to the claimant) to enable deductions to be made¹.

Note: DMs should refer to DMG Chapter 33 for guidance on ELDS deductions where IB is paid with IS and DMG Chapter 79 where SPC is paid with RP.

1 SS (C&P) Regs, Sch 9, para 7C(7)

Example 1

Denis is entitled to IB at £78.50 per week and IS of £6 per week. The two benefits are paid separately. The DM receives an application from an eligible lender for deductions under the ELDS. The DM decides that no deductions can be taken from IB because, as the rate of deduction is £3.00, there is sufficient IS to enable the deduction to be made.

Example 2

Judith is entitled to IB of £78.50 per week and IS of £1.20 per week. The two benefits are paid separately. The DM decided that ELDS deductions at the rate of £3.00 should be taken from Judith's IB because there was insufficient IS to make the deduction.

08635 Subject to the rules in DMG 08632 and 08634, where the conditions in DMG 08631 are satisfied deductions may be made from one eligible benefit of an amount equal to 5% of the IS personal allowance for a single claimant aged not less than 25¹ rounded up to the nearest multiple of 5p². The personal allowance rate to be used is that which applies as at the benefit week in which the deduction is being made.

Note: Except in the case of IB paid with IS and RP paid with SPC, deductions can only be taken from one eligible benefit. So, if there is insufficient benefit to allow the full deduction to be made the DM cannot make a part deduction from one eligible benefit and part from another.

1 SS (C&P) Regs, Sch 9B, para 7C(3); 2 Sch 9B, para 1(1)

08636 - 08650

Priority between debts

08651 There is no need to consider the order of priority in the cases of CA, RP, SP or IB (except where IB is paid with IS or RP is paid with SPC) because the only other deductions that can be made from these benefits are

1. deductions in respect of CSM
2. restrictions on the payment of benefit following convictions for benefit fraud
3. deductions to recover overpayments **and**
4. deductions to recover social fund payments.

The first two of these are not subject to the rules setting the priorities as between debts and the last two would preclude ELDS deductions as explained in DMG 08631.

Maximum deductions

08652 Again the rules relating to the maximum total amount of deductions from benefit do not apply to CA, RP, SP and IB except where IB is paid with IS (see DMG Chapter 33) or where RP is paid with SPC (see DMG Chapter 79).

08653 - 08670

Notification

08671 The DM must notify the borrower and the eligible lender in writing of the decision to make ELDS deductions¹, as far as practicable, within 14 days of making that decision.

1 SS (C&P) Regs, Sch 9, para 7C(5)

Circumstances in which deductions will cease

08672 The Secretary of State must cease making ELDS deductions if¹

1. there is no longer sufficient entitlement to an eligible benefit to enable deductions to be made **or**
2. entitlement to all eligible benefits has ceased **or**
3. a sum is deducted from the borrower's eligible benefit to recover overpaid benefit under the Act² **or**
4. the eligible lender notifies the Secretary of State that he no longer wants to accept payment by deductions **or**
5. the liability to make payment on the loan has ceased **or**
6. the lender has ceased to be an eligible lender **or**
7. the borrower no longer resides in GB.

1 SS (C&P) Regs, Sch 9, para 7C(9); 2 SS A Act 92, s 78(1)

08673 - 08690

Payments of amounts deducted

08691 Payments of sums deducted will be made to the eligible lender¹.

1 SS (C&P) Regs, Sch 9, para 7C(10)

08692 The Secretary of State will notify the borrower in writing of the total sums deducted when¹

1. a written request for this information is received from the borrower **or**
2. the deductions terminate.

1 SS (C&P) Regs, Sch 9, para 7C(11)

08693 - 08999

Chapter 12 - Imprisonment

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Chapter 12 - Imprisonment

Effect of imprisonment on Social Security benefits

12001 When a person is in prison or detained in legal custody, SS benefits are affected as follows

1. the person is disqualified from receiving any benefit¹ including any dependency increase under specified legislation, but see the exceptions in DMG 12050 - 12079
2. a person receiving benefit will not receive an increase for any dependent spouse, civil partner or person having care of their child who is in prison or detained in legal custody² (see DMG 12110 - 12111).

1 SS CB Act 92, s 113(1)(b); 2 s 113(1)(b)

12002 The SS benefits affected are¹

1. IB
2. MA
3. BPT
4. WMA
5. WP
6. WPA
7. BB
8. RP
9. SAP
10. GRB
11. AA
12. SDA
13. CA
14. DLA
15. IIDB
16. SP²

1 SS CB Act 92, Parts II-V; 2 Pensions Act 14 s19

12003 Claimants are disqualified from receiving these benefits when they are imprisoned or detained in legal custody following criminal proceedings¹. Disqualification only affects the payability of the benefit not claimants' entitlement to that benefit². This means that when the conditions supporting the disqualification no longer apply, payment of benefit can resume providing all the conditions of entitlement remain satisfied. Unless entitlement has been terminated during the period of imprisonment or detention in legal custody, a claimant should not be required to make a new claim to benefit on release.

1 SS CB Act 92, s 113(1)(b); 2 CDLA/1930/04

12004 - 12014

Effect of imprisonment on JSA, IS, SPC and ESA

12015 For benefit specific guidance on the effect of imprisonment or detention in legal custody on JSA and IS see DMG Chapter 24, on SPC see DMG Chapter 78, on ESA(Cont) see DMG Chapter 53 and on ESA(IR) see DMG Chapter 54.

Effect of imprisonment on UC, PIP, new style JSA and new style ESA

12016 For benefit specific guidance on the effect of imprisonment or detention in legal custody on UC see ADM Chapter E3, on PIP see ADM Chapter P4, on new style JSA see ADM Chapter S1 and on new style ESA see ADM Chapter U6.

Note: ADM Chapter M1 contains guidance on the meaning of new style JSA and new style ESA.

Effect of imprisonment on SP

Meaning of prisoner

12017 For SP purposes a prisoner is a person, in GB or elsewhere, who is

1. imprisoned or detained in legal custody **or**
2. unlawfully at large¹.

1 Pensions Act 14, s 19(2)

Prisoners who are not to be paid SP

12018 Unless DMG 12020 applies, a person is not to be paid SP during the period they are a prisoner¹

1. in GB or elsewhere who is imprisoned or detained in legal custody
 - 1.1 in connection with **or**
 - 1.2 as a result of
criminal proceedings² **or**
2. in GB or elsewhere who is unlawfully at large³ **or**
3. in GB who is being detained⁴
 - 3.1 in a mental hospital under specific legislation⁵ which allows the Secretary of State for Justice to order that an offender, suffering from mental disorder, be transferred from prison to detention in a mental hospital **and**
 - 3.2 on or before the Secretary of State for Justice certifies their release date⁶, if any **or**
4. in GB who is being detained in a mental hospital under specific legislation⁷ which allows Scottish Ministers to order that an offender, suffering from mental disorder, be transferred from prison to detention in a mental hospital⁸.

Note: See DMG 12019 for guidance on when a person is not a prisoner in accordance with **1. or 2.**

*1 SP Regs, reg 2(1); 2 reg 2(2)(a); 3 reg 2(2)(b); 4 reg 2(2)(c); 5 MH Act 83, s 47;
6 s 50(3); 7 MH (C&T) (Scot) Act 03, s 136; 8 SP Regs, 2(2)(d)*

12019 However, a person is not a prisoner in accordance with DMG 12018 **1. or 2.** if

1. they are a prisoner outside GB **and**
2. they would not be a prisoner in similar circumstances in GB¹.

1 SP Regs, reg 2(3)

Paying SP to persons remanded in custody

12020 A person who is remanded in custody is not a prisoner¹ in accordance with DMG 12018 so can be paid SP unless

1. a sentence of imprisonment or detention in legal custody as a result of criminal proceedings² **or**
2. a sentence of detention where paragraph 12018 **3.1** or **4.** applies³ **or**
3. a suspended sentence of imprisonment⁴

is later imposed on the person for the offence⁵. Therefore DMs should suspend SP when a person is remanded in custody pending the outcome of proceedings.

1 SP Regs, reg 3(1); 2 reg 3(2)(a); 3 reg 3(2)(b); 4 reg 3(2)(c); Criminal Justice Act 03, s 189; 5 SP Regs, reg 3(1)

12021 However, DMG 12020 **1.** does not apply if

1. it is imposed outside GB **and**
2. it would not have been imposed in similar circumstances in GB¹.

1 SP Regs, reg 3(3)

Meaning of imprisonment and detention in legal custody

12022 The term “imprisonment or detention in legal custody” means

1. any detention connected with criminal proceedings¹ **or**
2. imprisonment imposed by a criminal court².

A claimant sentenced to imprisonment as a result of civil proceedings is not disqualified².

1 R(P) 2/57; 2 R(S) 8/79

12023 Imprisonment or detention in legal custody includes detention

1. in a prison or detention centre **or**
2. of a child or young person under the direction of the Secretary of State **or**
3. in a hospital or similar institution as a result of criminal proceedings¹ **or**
4. abroad².

A person in a young offenders' institution is not imprisoned, but is detained in legal custody.

1 SS (Gen Ben) Regs, reg 2(8)(b); 2 R(S) 2/81

12024 Imprisonment or detention in legal custody might be

1. before the proceedings commence, for example custody before a charge **or**
2. before the conclusion of proceedings, for example remand in custody **or**
3. after the proceedings, for example sentenced to prison.

It does not include a period before criminal proceedings begin where the person is released on bail.

12025 The word "detention" describes the physical confinement of a person¹. A period of authorized absence from a place of detention is not a period in which a claimant is

1. kept in a prison **or**
2. detained in legal custody.

See DMG 12041 for pre-release schemes.

1 R(S) 10/56

12026 - 12029

Period of detention in legal custody

12030 The day on which detention in legal custody starts **is** a day of detention in legal custody. The day of release **is not** a day of detention.

Effect of a pardon

12031 Where

1. disqualification because of imprisonment or detention in legal custody had been imposed **and**
2. a pardon is granted for the offence associated with the imprisonment or detention in legal custody

the disqualification ends because of the pardon. See DMG Chapter 04 for further guidance on supersession for a relevant change of circumstances and when the decision takes effect.

Effect of a successful appeal

12032 Where a person successfully appeals against conviction they are not disqualified for the period of imprisonment or detention in legal custody. See also DMG 12057.

Release on licence

12033 Release on licence means release on parole after completion of a specified part of the original sentence. The following guidance does not cover prisoners on pre-release schemes; guidance on such cases should be sought from DMA Leeds through the usual channels. A person released on licence¹, including on temporary licence, is no longer imprisoned or detained in legal custody. The DM should consider

1. the importance of any specific terms the licence may have **and**
2. the way the terms alter the actual state of the release.

1 Criminal Justice Act 03, s 237 to 258; Prisoners and Criminal Proceedings (Scotland) Act 1993, Part I; Prisons (Scotland) Act 1989

12034 Conditions are imposed in all cases of release on licence and the person can be returned to prison if they breach these conditions.

12035 There are several early release on licence schemes including

- Parole - where the prisoner is released on the recommendation of the Parole Board after completing a specified part of their original sentence.
- Curfew - more commonly referred to as “tagging”, where a prisoner is released on licence before their automatic release date. The conditions of release require them to wear an electronic tag and remain at home during agreed periods of the day¹.

Imprisonment or detention of dependants

Spouse or civil partner

- 12110 The disqualification rules for receiving personal benefit apply equally to an increase of benefit for a spouse or civil partner who is in prison or detained in legal custody. The person receiving the benefit will not receive an increase for that dependant for any period during which their dependent spouse or civil partner is in prison or detained in legal custody¹.

1 SS CB Act 92, s 113(1)

Person caring for a child

- 12111 There is no entitlement to an increase of benefit for a person caring for a child or children for
1. any period during which that person is in prison or is detained in legal custody¹ **or**
 2. any week in which the child is in prison or is detained in legal custody.

1 SS Ben (Dep) Regs, reg 10(2)(d) & Sch 2, para 7(b)(ii)

Fresh claims

- 12112 The rules on increases for a dependent spouse or civil partner affect payment and not entitlement. A fresh claim is not required when benefit is to be restored following a period of imprisonment or detention.

12113 - 12999

Annex 6

NMW rates since 1.10.10

(See DMG 13896)

From	Hourly rate
1.10.10	£5.93
1.10.11	£6.08
1.10.12	£6.19
1.10.13	£6.31
1.10.14	£6.50
1.10.15	£6.70
1.4.16	£7.20

Annex 7

Exempt work – weekly earnings limits since 13.4.95

(See DMG 13893)

From	Weekly earnings limit
13.4.95	£44.00
8.4.96	£45.50
7.4.97	£46.50
6.4.98	£48.00
12.4.99	£49.50
10.4.00	£58.50
2.10.00	£59.50
9.4.01	£60.50
1.10.01	£66.00
1.10.02	£67.50
1.10.03	£72.00
1.10.04	£78.00
1.10.05	£81.00
1.10.06	£86.00
1.10.07	£88.50
1.10.08	£92.00
1.10.09	£93.00
1.10.10	£95.00
1.10.11	£97.50
1.10.12	£99.04
1.10.13	£101.00
1.10.14	£104.00
1.10.15	£107.50
1.4.16	£115.50

The content of the examples in this document (including use of imagery) is for illustrative purposes

Chapter 15 - Earnings for non-income-related benefits

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Calculation of income tax, Social Security contributions and qualifying premium

Introduction

15650 Having calculated the gross receipts and expenses from self-employment on a cash flow basis, the DM should consider deductions for¹

1. income tax (see DMG 15654 et seq) **and**
2. Class 2 SS contributions (see DMG 15685 at seq) **and**
3. Class 4 SS contributions (see DMG 15690 et seq) **and**
4. half of any premium for a personal pension scheme (see DMG 15694) or retirement annuity contract (see DMG 15696).

1 SS Ben (C of E) Regs, reg 13(4)(b) & (c)

15651 The DM should base deductions for income tax and class 2 and class 4 SS contributions (see DMG 15650) on the chargeable income for the assessment period.

Chargeable income

15652 The chargeable income¹, that is, the income chargeable for tax, for the assessment period is the amount of earnings

1. in the case of a S/E child minder, one third of the gross receipts of that employment² **or**
2. in the case of a partnership, the person's share of
 - 2.1 the gross receipts of the employment less
 - 2.2 any allowable business expenses³ **or**
3. in any other case, the person's
 - 3.1 gross receipts of the employment less
 - 3.2 any allowable expenses⁴.

1 SS Ben (C of E) Regs, reg 14(3); 2 reg 14(3)(b); 3 reg 13(5); 4 reg 13(4)(a)

15653 The calculation at DMG 15652 should not include any deductions for

1. notional income tax **or**
2. SS contributions **or**
3. premiums for a personal pension scheme or retirement annuity contract.

Deduction for notional income tax

15654 The DM should calculate the deduction for notional income tax using the tax allowance and tax rates for the tax assessment year (6 April to 5 April) appropriate to the assessment period which is being used to calculate the earnings.

Tax allowances.

15655 A tax allowance is an amount of income a person can earn or receive in a tax year without paying tax. There are a number of tax allowances, but for the purposes of calculating the earnings of a S/E earner, DMs should have regard to the personal allowance only.

The rates of the income tax allowances are in Appendix 1.

Personal allowance

15656 All earners whether married or single get a personal allowance. There are three age-related levels of personal allowance (Appendix 1), but for benefit purposes only the personal allowance for a person aged under 65 is deducted - even if another personal allowance appears to apply.

Tax rates

15665 The tax rate is the percentage of taxable income payable to HMRC. Taxable income is the amount of income remaining after deducting tax allowances. The rate is in Appendix 1.

Note: from April 2016 the Scottish Government can set its own rate of income tax¹

1The SS (Scottish Rate of Income Tax etc.) Amendment Regs 2016

15666 - 15679

Calculation of deduction

15680 To decide the notional amount of income tax to be deducted from a S/E earner's chargeable income the DM should¹

1. establish the chargeable income
2. establish the personal allowance appropriate to the S/E earner. If it
 - 2.1 is equal to or greater than the chargeable income there will be no notional income tax to deduct **or**
 - 2.2 is less than the chargeable income, go to 3.
3. deduct the personal allowance (Appendix 1)
 - 3.1 in full if the assessment period is a year **or**
 - 3.2 on a pro rata basis if the assessment period is less than a year