

## EXPLANATORY NOTE

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

These Regulations amend two provisions of the Universal Credit Regulations (Northern Ireland) 2016 (S.R. 2016 No. 216) (the “Universal Credit Regulations”) relating to the calculation of a universal credit award where the claimant has earned income.

Regulation 23(1)(b)(i) and (ii) of the Universal Credit Regulations provides that, in a given assessment period, the amount to be deducted from the maximum amount of a universal credit award in respect of the claimant’s earned income (or joint claimants’ combined earned income) is to be 65% of the amount by which that income exceeds the applicable work allowance (the “taper rate”). Regulation 2(2) of these Regulations amends that taper rate to 63%.

Regulation 54(6) of the Universal Credit Regulations contains a formula for calculating the amount of a claimant’s earned income (or joint claimants’ combined earned income) above which there would be no entitlement to universal credit, for the purpose of calculating that claimant’s (or joint claimants’) surplus earnings in an assessment period. Regulation 2(3) of these Regulations amends that formula by replacing “65” with “63” to reflect the amendment to the taper rate.

An impact assessment has not been produced for this instrument as it has no impact on business or on civil society organisations. This instrument has no impact on the public sector.