



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 10

SOCIAL SECURITY INCOME

CHAPTER 4

TAXABLE UK SOCIAL SECURITY BENEFITS: EXEMPTIONS

Income support

665 Exempt unless payable to member of couple involved in trade dispute

- (1) No liability to income tax arises on income support unless—
 - (a) the income support is payable to one member of a married or unmarried couple (“the claimant”), and
 - (b) section 126 of SSCBA 1992 or section 125 of SSCB(NI)A 1992 (trade disputes) applies to the claimant but not to the other member of the couple.
- (2) In this section “married couple” and “unmarried couple” have the same meaning as in section 137(1) of SSCBA 1992 or section 133(1) of SSCB(NI)A 1992.

666 Child maintenance bonus

No liability to income tax arises on a part of income support which is attributable to a child maintenance bonus (within the meaning of section 10 of CSA 1995 or Article 4 of CS(NI)O 1995).

Status: This is the original version (as it was originally enacted).

667 Amounts in excess of taxable maximum

- (1) If the amount of income support paid to a person (“the claimant”) for a week or a part of a week exceeds the claimant’s taxable maximum for that period, no liability to income tax arises on the excess.
- (2) The claimant’s taxable maximum for a period is determined under section 668.

668 Taxable maximum

- (1) A claimant’s taxable maximum for a week is determined under this subsection if the applicable amount for the purpose of calculating the income support consists only of an amount in respect of the relevant couple.

The taxable maximum is equal to one half of the applicable amount.

- (2) A claimant’s taxable maximum for a week is determined under this subsection if the applicable amount includes amounts that are not in respect of the relevant couple.

The taxable maximum is equal to one half of the amount which is included in the applicable amount in respect of the relevant couple.

- (3) A claimant’s taxable maximum for a part of a week is determined as follows—

Step 1

Assume that the income support is paid to the claimant for the whole of, rather than part of, the week.

Step 2

Determine under subsection (1) or (2) what the claimant’s taxable maximum for that week would be on that assumption.

Step 3

Determine the claimant’s taxable maximum for the part of the week using this formula—

$$\frac{N}{7} \times \text{TMW}$$

where—

N is the number of days in the part of the week for which the claimant is actually paid the income support, and

TMW is the taxable maximum for the whole week determined under step 2.

669 Interpretation

- (1) In section 668, except in relation to Northern Ireland—
 - “applicable amount” means the amount prescribed in relation to income support in regulations made under section 135 of SSCBA 1992;
 - “married couple” and “unmarried couple” have the same meaning as in section 137(1) of SSCBA 1992.
- (2) In section 668, in relation to Northern Ireland—
 - “applicable amount” means the amount prescribed in relation to income support in regulations made under section 131 of SSCB(NI)A 1992;

Status: This is the original version (as it was originally enacted).

“married couple” and “unmarried couple” have the same meaning as in section 133(1) of SSCB(NI)A 1992.

- (3) In section 668 “relevant couple”, in relation to a claimant, means the married or unmarried couple of which the claimant is a member.