

## SCHEDULE 3

### MEANS TEST

#### PART I

#### STUDENT'S INCOME

##### Calculation of student's income

1.—(1) In calculating an eligible student's income for the purposes of regulation 21 there shall be taken into account his income (reduced by income tax and social security contributions) from all sources, and any payment referred to in paragraph (b), whether or not it is income, but there shall be disregarded the following—

- (a) the first £820 of income of any description, or where the eligible student is a lone parent, the first £ of income of any description;
- (b) the first £1,000 of any payment by way of—
  - (i) scholarship, studentship, exhibition, bursary, award, grant, allowance or benefit however described payable in connection with the student's attendance on the course, otherwise than under the Act and regulations made under it; and
  - (ii) in the case of a student in gainful employment, by way of remuneration (reduced by income tax and social security contributions) paid in respect of any period for which he has leave of absence or is relieved of his normal duties for the purpose of attending the course; except that, if the person's course is a course for the initial training of teachers referred to in paragraph 4 of Schedule 2 during which the periods of full-time attendance, including attendance for the purpose of teaching practice, are in aggregate less than 6 weeks, any payments by way of remuneration shall be disregarded;
- (c) any payment under a bursary or award of similar description bestowed on him under section 63 of the Health Services and Public Health Act 1968(1);
- (d) any grant to facilitate teacher training paid to the eligible student under regulations made under section 50(1) of the Education (No. 2) Act 1986(2);
- (e) in the case of an eligible student for whose benefit any income is applied or any payments are required to be applied as described in paragraph 5(5)—
  - (i) the whole of that income or those payments if a parental contribution ascertained in accordance with Part II or a spouse's contribution ascertained in accordance with Part III is applicable (at whatever amount including nil that contribution is ascertained to be), or

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(1) 1968 c. 46; section 63 was amended by the [National Health Services Reorganisation Act 1973](#) (c. 32), Schedule 4, paragraph 124 and Schedule 5, the [National Health Service Act 1977](#) (c. 49), Schedule 15, paragraph 45 and Schedule 16, the [National Health Services \(Scotland\) Act 1978](#) (c. 29), Schedule 16, paragraph 2692) and Schedule 17, the [Health Services Act 1980](#) (c. 53), sections 1 and 2 and Schedule 1, Part I, paragraph 19(3), the [Local Government Act 1985](#) (c. 51), Schedule 17, the [Family Practitioner Committees \(Consequential Modifications\) Order 1985](#) (S.I.1985/39), article 6(1), the [Health and Medicines Act 1988](#) (c. 49), section 20, section 25(2) and Schedule 3, the [Local Government \(Scotland\) Act 1994](#) (c. 39), Schedule 13, paragraph 74(1) and (2), the [Health Authorities Act 1995](#) (c. 17), Schedule 1, paragraph 95(1) and (2), the [Local Government Reorganisation \(Wales\) \(Consequential Amendments\) \(No. 2\) Order 1996](#) (S.I. 1996/1008), the Schedule, paragraph 1, and the [National Health Service \(Primary Care\) Act 1997](#) (c. 46), Schedule 1, paragraph 1(4).

(2) 1986 c. 61; section 50 was amended by the [Education Act 1993](#) (c. 35), section 278(6), Schedule 19, paragraph 102, Schedule 21 Part II, and by the [Education Act 1994](#) (c. 30), section 13(2) to (4).

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- (ii) the first £1,855 of that income or those payments if such a contribution would be applicable but for the fact that the eligible student is such a student as is described in paragraph 3(b), (c), (d), (e) or (f);
- (f) any pension, allowance or other benefit paid by reason of a disability to which the eligible student is subject which is not subject to income tax under the Income Tax Acts;
- (g) any bounty received as a reservist with the armed forces;
- (h) remuneration for work done during any academic year of the eligible student's course;
- (i) in the case of an eligible student in whose case a parental contribution is by virtue of Part II of this Schedule applicable (at whatever amount, including nil, that contribution is ascertained to be) any payment which is made under covenant by a parent by reference to whose income that contribution falls to be ascertained;
- (j) any payment made for a specific educational purpose otherwise than to meet such fees as are mentioned in Part III and living costs as are mentioned in Parts IV and V;
- (k) child benefit payable under Part IX of the Social Security Contributions and Benefits Act 1992<sup>(3)</sup>;
- (l) any allowance payable to the eligible student by an adoption agency in accordance with regulations made under section 57A of the Adoption Act 1976<sup>(4)</sup>;
- (m) any guardian's allowance to which he is entitled under section 77 of the Social Security Contributions and Benefits Act 1992<sup>(5)</sup>;
- (n) in the case of an eligible student with whom a child in the care of a local authority is boarded out, any payment made to him in pursuance of section 23 of the Children Act 1989<sup>(6)</sup>;
- (o) any payments made to the eligible student in pursuance of an order made under section 34 of the Children Act 1975<sup>(7)</sup> or under section 15 of and Schedule 1 to the Children Act 1989 or any assistance given by a local authority pursuant to section 24 of that Act;
- (p) income support or family credit under Part VII of the Social Security Contributions and Benefits Act 1992;
- (q) any housing benefit or community charge benefits granted to the eligible student in pursuance of a statutory or local scheme under Part VII of the Social Security Contributions and Benefits Act 1992 or any council tax benefit granted to him in pursuance of a statutory or local scheme under that Act;
- (r) the first £3,105 of any pension, allowance or other benefit payable by reason of disability to which the eligible student is subject, his old age, his retirement, the death of his spouse or parent or another person on whom he was wholly or mainly financially dependent, or by reason of his military or other public service;
- (s) any payments made to the eligible student under the action scheme of the European Community for the mobility of university students known as ERASMUS<sup>(8)</sup>, the European Community programme for foreign language competence known as LINGUA<sup>(9)</sup> or the European Community programme known as LEONARDO DA VINCI<sup>(10)</sup>;

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<sup>(3)</sup> 1992 c. 4; there are amendments which are not relevant.

<sup>(4)</sup> 1976 c. 36; section 57A was introduced by the Children Act 1989 (c. 41), Schedule 10, paragraph 25; the relevant instruments are S.I. 1991/2030, 2130 and 2742.

<sup>(5)</sup> 1992 c. 4.

<sup>(6)</sup> 1989 c. 41.

<sup>(7)</sup> 1975 c. 72; a new section 34 was substituted by Domestic Proceedings and Magistrates' Courts Act 1978 (c. 22), section 64; the Act was repealed by the Children Act 1989 (c. 41), Schedule 15.

<sup>(8)</sup> ERASMUS is part of the European Community action programme known as SOCRATES, OJ No. L87, 20.4.95, p. 10.

<sup>(9)</sup> LINGUA is part of the European Community action programme known as SOCRATES, OJ No. L87, 20.4.95, p. 10.

<sup>(10)</sup> OJ No. L340, 29.12.94, p. 8.

(t) any payment made to the eligible student out of access funds held by the institution at which he attends his course.

(2) Where income may be disregarded under more than one of the sub-paragraphs of paragraph (1) it shall be disregarded under the sub-paragraph or sub-paragraphs which will result in the largest amount of the eligible student's income from all sources being disregarded under paragraph (1).

(3) Where an eligible student is a person mentioned in paragraph 7 of Schedule 1 and not in any other paragraph and his income arises from sources or under legislation different from sources or legislation normally relevant to a person mentioned in paragraph 1 of Schedule 1 his income shall not be disregarded in accordance with paragraph (1) but shall be disregarded to the extent necessary to ensure that he is treated no less favourably than a person in similar circumstances in receipt of similar income who is mentioned in Schedule 1 would be treated.

(4) In the case of an eligible student who makes any payment in pursuance of an obligation incurred before the first year of his course, in calculating his income for the purposes aforesaid there shall be deducted therefrom—

- (a) if, in the opinion of the Secretary of State, the obligation had been reasonably so incurred, an amount equal to the payment in question;
- (b) if, in his opinion, only a lesser obligation could have been reasonably so incurred, such correspondingly lesser amount (if any) as appears to him appropriate;

except that no deduction shall be made from the income of a married student where the student's spouse is a dependant for the purpose of regulation 15 and, in pursuance of regulation 15(12) the payment is taken into account in determining the spouse's income.

(5) In a case where the eligible student is the parent or step-parent of an eligible student in respect of whom a contribution is ascertained under Part II of this Schedule, so much of the amount (if any) by which the contribution is reduced under paragraph 4(3) as the Secretary of State considers just shall be treated as part of the eligible student's income for the purposes of this regulation.

(6) Where the eligible student is a lone parent having one or more dependent children under the age of 19 within the meaning of regulation 15 he may elect to be ineligible for grant under that regulation and to have disregarded in calculating his income under this regulation £2,380 in respect of his only or eldest such child and £750 in respect of every other such child.

(7) Where the eligible student receives income in a currency other than sterling the value of the income shall be—

- (a) if the student purchases sterling with the income the amount of sterling the student receives for it, and
- (b) otherwise the value of the sterling which the income would purchase using the rate for the month in which it is received published by the Office for National Statistics in "Financial Statistics".