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STATUTORY INSTRUMENTS

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**2000 No. 421**

**SOCIAL SECURITY  
TAXES**

**The Tax Credits Schemes Amendment (Education  
Maintenance Allowance) Regulations 2000**

<i>Made</i>	- - - -	<i>21st February 2000</i>
<i>Laid before Parliament</i>		<i>22nd February 2000</i>
<i>Coming into force</i>	- -	<i>14th March 2000</i>

The Treasury, in exercise of the powers conferred by sections 123(1)(b) and (c), 136(5)(b), 137(1) and 175(1) and (3) to (4) of the Social Security Contributions and Benefits Act 1992(1) and now vested in them(2), and of all other powers enabling them in that behalf, hereby make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Tax Credits Schemes Amendment (Education Maintenance Allowance) Regulations 2000 and shall come into force on 14th March 2000.

**Interpretation**

2. In these Regulations—

“the Disability Working Allowance Regulations” means the Disability Working Allowance (General) Regulations 1991(3);

“the Family Credit Regulations” means the Family Credit (General) Regulations 1987(4).

**Disregard of education maintenance allowance**

3.—(1) For each of the paragraphs specified in paragraph (2) (which relate to sums to be disregarded in the calculation of income other than earnings) there shall be substituted the following paragraph—

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(1) 1992 c. 4; section 123(1)(b) and (c) were amended by paragraph 2(f) of Schedule 1 to the Tax Credits Act 1999 (c. 10). Section 137(1) is cited because of the meaning ascribed to the word “prescribed”.  
(2) See sections 2(1)(a) and (4) and 19(1) of, and paragraphs 1(b) and (g) and 20(a) of Schedule 2 to, the Tax Credits Act 1999.  
(3) S.I. 1991/2887; relevant amending instruments are S.I. 1998/2825 and 1999/1677.  
(4) S.I. 1987/1973; relevant amending instruments are S.I. 1998/2825 and 1999/1677.

“Any—

- (a) education maintenance allowance payable by virtue of regulations made under section 518 of the Education Act 1996<sup>(5)</sup> (payment of school expenses; grant of scholarships etc.); or
- (b) sum (not being an allowance coming within (a)) in respect of a course of study attended by a child or young person payable by virtue of regulations made under section 518 of the Education Act 1996, section 49 of the Education (Scotland) Act 1980<sup>(6)</sup> (power to assist persons to take advantage of educational facilities) or section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992<sup>(7)</sup> (provisions of financial assistance to students).”

(2) The paragraphs specified for the purposes of paragraph (1) are—

- (a) paragraph 9 of Schedule 2 to the Family Credit Regulations<sup>(8)</sup>;
- (b) paragraph 9 of Schedule 3 to the Disability Working Allowance Regulations<sup>(9)</sup>.

4.—(1) At the end of each of the Schedules<sup>(10)</sup> specified in paragraph (2) (which relate to capital to be disregarded) there shall be added the following paragraph bearing the respective specified paragraph number—

“Any education maintenance allowance payable by virtue of regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc.) which is payable as a bonus payment at the end of an academic term but only for a period of 52 weeks from the date of receipt of that payment.”

(2) The paragraphs specified for the purposes of paragraph (1) are—

- (a) paragraph 59 of Schedule 3 to the Family Credit Regulations;
- (b) paragraph 58 of Schedule 4 to the Disability Working Allowance Regulations.

## **Revocation**

5. Regulation 2(2)(b) and (c) of the Social Security Amendment (Educational Maintenance Allowance) Regulations 1999<sup>(11)</sup> is hereby revoked.

*Bob Ainsworth  
Greg Pope*

Two of the Lords Commissioners of Her  
Majesty’s Treasury

21st February 2000

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<sup>(5)</sup> 1996 c. 56; section 518 was substituted by section 129 of the School Standards and Framework Act 1998 (c. 31).

<sup>(6)</sup> 1980 c. 44.

<sup>(7)</sup> 1992 c. 37.

<sup>(8)</sup> Paragraph 9 of Schedule 2 was substituted by S.I. 1999/1677, regulation 2.

<sup>(9)</sup> Paragraph 9 of Schedule 3 was substituted by S.I. 1999/1677, regulation 2.

<sup>(10)</sup> The Schedules specified in paragraph (2) were relevantly amended by S.I. 1999/2165, regulation 4.

<sup>(11)</sup> S.I. 1999/1677.

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## EXPLANATORY NOTE

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

These Regulations amend the Family Credit (General) Regulations 1987 (S.I.1987/1973) and the Disability Working Allowance (General) Regulations 1991 (S.I. 1991/2887) (together “the principal Regulations”).

Regulation 1 provides for citation and commencement, and regulation 2 for interpretation.

Regulation 3 amends the principal Regulations so as to provide that education maintenance allowances shall be disregarded in the calculation of a person’s income for the purpose of ascertaining entitlement to working families’ tax credit and disabled person’s tax credit.

Regulation 4 amends the principal Regulations so as to provide that bonus payments of education maintenance allowances shall be disregarded as capital for the purpose of ascertaining entitlement to working families’ tax credit and disabled person’s tax credit.

Regulation 5 revokes the provisions in regulation 2(2)(b) and (c) of the Social Security Amendment (Educational Maintenance Allowance) Regulations 1999 which are superseded by regulation 3 of these Regulations.

These Regulations do not impose a charge on business.