

2016 No. 743

SOCIAL SECURITY

The Social Security (Treatment of Postgraduate Master's Degree Loans and Special Support Loans) (Amendment) Regulations 2016

<i>Made</i>	- - - -	<i>13th July 2016</i>
<i>Laid before Parliament</i>		<i>14th July 2016</i>
<i>Coming into force</i>	- -	<i>4th August 2016</i>

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 123(1)(a) and (d), 136(3) and (5)(a) and (b) and 175(3) and (4) of the Social Security Contributions and Benefits Act 1992(a), sections 12(1) and (4)(a) and (b), 35(1) and 36(2) and (4)(a) of the Jobseekers Act 1995(b), sections 17(1) and (3)(a) and (b), 24(1) and 25(3), (4) and (5)(a) of the Welfare Reform Act 2007(c) and sections 8(3)(b), 19(2)(d), 30, 32 and 42(3) of, and paragraph 4(1)(b) and (c) and (3)(a) of Schedule 1 to, the Welfare Reform Act 2012(d).

In accordance with section 173(1)(b) of the Social Security Administration Act 1992(e), the Social Security Advisory Committee has agreed that the proposals in respect of these Regulations should not be referred to it.

In accordance with section 176(1) of that Act(f), the Secretary of State has consulted with organisations appearing to the Secretary of State to be representative of the authorities concerned except in relation to regulation 4(5). Those organisations have agreed that consultation in respect of that regulation need not be undertaken.

Citation and commencement

1. These Regulations may be cited as the Social Security (Treatment of Postgraduate Master's Degree Loans and Special Support Loans) (Amendment) Regulations 2016 and come into force on 4th August 2016.

(a) 1992 c.4. See section 137(1) for the meaning of "prescribed".

(b) 1995 c.18. See section 35(1) for the meanings of "prescribed" and "regulations".

(c) 2007 c.5. See section 24(1) for the meanings of "prescribed" and "regulations".

(d) 2012 c.5. See section 40 for the meaning of "prescribed".

(e) 1992 c.5.

(f) Section 176(1)(b) was amended by paragraph 3(4) of Schedule 13 to the Housing Act 1996 and was repealed, to the extent that it related to council tax benefit, by section 147 of, and paragraph 1 of Schedule 14 to, the Welfare Reform Act 2012 with effect from 1st April 2013 and subject to savings and transitional provisions in articles 9 and 10 of S.I.2013/358.

Amendment of the Income Support (General) Regulations 1987

2.—(1) The Income Support (General) Regulations 1987(a) are amended as follows.

(2) In regulation 61(1) (students: interpretation), after the definition of “periods of experience” insert—

““postgraduate master’s degree loan” means a loan which a student is eligible to receive under the Education (Postgraduate Master’s Degree Loans) Regulations 2016(b);”.

(3) In regulation 62(2A) (calculation of grant income)—

- (a) after “student loan” insert “or a postgraduate master’s degree loan”;
- (b) for “such a loan” substitute “a student loan or a postgraduate master’s degree loan”.

(4) In regulation 66A (treatment of student loans)—

- (a) at the end of the heading add “and postgraduate master’s degree loans”;
- (b) in paragraph (1), after “A student loan” insert “and a postgraduate master’s degree loan”;
- (c) in paragraph (3)—
 - (i) after “a student loan” in both places, insert “or a postgraduate master’s degree loan”;
 - (ii) in sub-paragraph (b), for “such a loan” substitute “a student loan or a postgraduate master’s degree loan”.

(d) after paragraph (4) insert—

“(4A) Where a student is treated as possessing a postgraduate master’s degree loan under paragraph (3) in respect of an academic year, the amount of that loan to be taken into account as income shall be, subject to paragraph (5), a sum equal to 30 per cent. of the maximum postgraduate master’s degree loan the student is able to acquire in respect of that academic year by taking reasonable steps to do so.”;

(e) in paragraph (5), after “paragraph (4)” insert “or (4A)”.

(5) After regulation 66C(c) insert—

“Treatment of special support loans

66D. A special support loan within the meaning of regulation 68 of the Education (Student Support) Regulations 2011(d) is to be disregarded as income.”.

(6) In regulation 67A(e) (further disregard of student’s income), for “or student loan” substitute “, student loan or postgraduate master’s degree loan”.

Amendment of the Jobseeker’s Allowance Regulations 1996

3.—(1) The Jobseeker’s Allowance Regulations 1996(f) are amended as follows.

(2) In regulation 130 (students: interpretation), after the definition of “periods of experience” insert—

““postgraduate master’s degree loan” means a loan which a student is eligible to receive under the Education (Postgraduate Master’s Degree Loans) Regulations 2016;”.

(3) In regulation 131(3) (calculation of grant income)—

- (a) after “student loan” insert “or a postgraduate master’s degree loan”;

(a) S.I.1987/1967. Relevant amending instruments are S.I.1990/1549, 1998/563, 1999/1935, 2000/1922, 2001/2319, 2002/1589, 2006/1752, 2008/2767 and 2009/1575.

(b) S.I.2016/606.

(c) Regulation 66C is inserted by S.I.2006/1752.

(d) S.I.2011/1986. Relevant amending instrument is S.I.2015/1951.

(e) Regulation 67A is inserted by S.I.1998/563.

(f) S.I. 1996/207. Relevant amending instruments are S.I.1998/563, 1999/1935, 2001/2319, 2002/1589, 2006/1752, 2008/2767 and 2009/1575.

- (b) for “such a loan” substitute “a student loan or a postgraduate master’s degree loan”.
- (4) In regulation 136 (treatment of student loans)—
 - (a) at the end of the heading add “and postgraduate master’s degree loans”;
 - (b) in paragraph (1), after “A student loan” insert “and a postgraduate master’s degree loan”;
 - (c) in paragraph (3)—
 - (i) after “a student loan” in both places, insert “or a postgraduate master’s degree loan”;
 - (ii) in sub-paragraph (b), for “such a loan” substitute “a student loan or a postgraduate master’s degree loan”.
 - (d) after paragraph (4) insert—

“(4A) Where a student is treated as possessing a postgraduate master’s degree loan under paragraph (3) in respect of an academic year, the amount of that loan to be taken into account as income shall be, subject to paragraph (5), a sum equal to 30 per cent. of the maximum postgraduate master’s degree loan the student is able to acquire in respect of that academic year by taking reasonable steps to do so.”;
 - (e) in paragraph (5), after “paragraph (4)” insert “or (4A)”.
- (5) After regulation 136B(a) insert—

“Treatment of special support loans

136C. A special support loan within the meaning of regulation 68 of the Education (Student Support) Regulations 2011 is to be disregarded as income.”.

- (6) In regulation 137A(b) (further disregard of student’s income), for “or student loan” substitute “, student loan or postgraduate master’s degree loan”.

Amendment of the Housing Benefit Regulations 2006

- 4.—**(1) The Housing Benefit Regulations 2006(c) are amended as follows.
- (2) In regulation 53(1) (students: interpretation), after the definition of “periods of experience” insert—

““postgraduate master’s degree loan” means a loan which a student is eligible to receive under the Education (Postgraduate Master’s Degree Loans) Regulations 2016;”.
- (3) In regulation 59(3) (calculation of grant income)—
 - (a) after “a student loan” insert “or a postgraduate master’s degree loan”;
 - (b) for “such a loan” substitute “a student loan or a postgraduate master’s degree loan”.
- (4) In regulation 64 (treatment of student loans)—
 - (a) at the end of the heading add “and postgraduate master’s degree loans”;
 - (b) in paragraph (1), after “A student loan” insert “and a postgraduate master’s degree loan”;
 - (c) in paragraph (3)—
 - (i) after “a student loan” in both places, insert “or a postgraduate master’s degree loan”;
 - (ii) in sub-paragraph (b), for “such a loan” substitute “a student loan or a postgraduate master’s degree loan”.
 - (d) after paragraph (4) insert—

“(4A) Where a student is treated as possessing a postgraduate master’s degree loan under paragraph (3) in respect of an academic year, the amount of that loan to be taken into account as income shall be, subject to paragraph (5), a sum equal to 30 per cent. of the

(a) Regulation 136B is inserted by S.I.2006/1752.
 (b) Regulation 137A is inserted by S.I.1998/563.
 (c) S.I.2006/213. Relevant amending instrument is S.I.2006/1752.

maximum postgraduate master's degree loan the student is able to acquire in respect of that academic year by taking reasonable steps to do so.”.

(5) After regulation 64A(a) insert—

“Treatment of special support loans

64B. A special support loan within the meaning of regulation 68 of the Education (Student Support) Regulations 2011 is to be disregarded as income.”.

(6) In regulation 67 (further disregard of student's income), for “or student loan” substitute “, student loan or postgraduate master's degree loan”.

Amendment of the Employment and Support Allowance Regulations 2008

5.—(1) The Employment and Support Allowance Regulations 2008(b) are amended as follows.

(2) In regulation 131(1) (students: interpretation), after the definition of “periods of experience” insert—

““postgraduate master's degree loan” means a loan which a student is eligible to receive under the Education (Postgraduate Master's Degree Loans) Regulations 2016;”.

(3) In regulation 132(3) (calculation of grant income)—

- (a) after “a student loan” insert “or a postgraduate master's degree loan”;
- (b) for “such a loan” substitute “a student loan or a postgraduate master's degree loan”;

(4) In regulation 137 (treatment of student loans)—

- (a) at the end of the heading add “and postgraduate master's degree loans”;
- (b) in paragraph (1), for “A student loan is to be treated as income unless it” substitute “A student loan and a postgraduate master's degree loan are to be treated as income unless the loan”;
- (c) in paragraph (4)—
 - (i) after “a student loan” in both places, insert “or a postgraduate master's degree loan”;
 - (ii) in sub-paragraph (b), for “such a loan” substitute “a student loan or a postgraduate master's degree loan”.

(d) in paragraph (4A), after “a student loan” insert “or a postgraduate master's degree loan”;

(e) after paragraph (5) insert—

“(5A) Where a student is treated as possessing a postgraduate master's degree loan under paragraph (4) in respect of an academic year, the amount of that loan to be taken into account as income is to be, subject to paragraph (6), a sum equal to 30 per cent. of the maximum postgraduate master's degree loan the student is able to acquire in respect of that academic year by taking reasonable steps to do so.”;

(f) in paragraph (6), after “paragraph (5)” insert “or (5A)”.

(5) After regulation 139 insert—

“Treatment of special support loans

139A. A special support loan within the meaning of regulation 68 of the Education (Student Support) Regulations 2011 is to be disregarded as income.”.

(6) In regulation 141 (further disregard of student's income), for “or student loan” substitute “, student loan or postgraduate master's degree loan”.

(a) Regulation 64A is inserted by S.I. 2006/1752.

(b) S.I.2008/794. Relevant amending instrument is S.I. 2010/2429.

Amendment of the Universal Credit Regulations 2013

- 6.—**(1) The Universal Credit Regulations 2013(a) are amended as follows.
- (2) In regulation 68 (person treated as having student income)—
- (a) in paragraph (1), after “a student loan” insert “, a postgraduate master’s degree loan”;
 - (b) in paragraph (2), after “a student loan” insert “or a postgraduate master’s degree loan”;
 - (c) in paragraph (5)—
 - (i) after “a student loan” insert “or a postgraduate master’s degree loan”;
 - (ii) for “such a loan” substitute “a student loan or a postgraduate master’s degree loan”;
 - (d) in paragraph (7), after the definition of “the long vacation” insert—

““postgraduate master’s degree loan” means a loan which a student is eligible to receive under the Education (Postgraduate Master’s Degree Loans) Regulations 2016;”.
- (3) In regulation 69 (calculation of student income-student loans)—
- (a) at the end of the heading insert “and postgraduate master’s degree loans”;
 - (b) after paragraph (1) insert—

“(1A) Where, in accordance with regulation 68(2), a person’s student income is to be based on the amount of a postgraduate master’s degree loan for a year, the amount to be taken into account is 30 per cent. of the maximum postgraduate master’s degree loan that the person would be able to acquire by taking reasonable steps to do so.”;
 - (c) in paragraph (2), after “paragraph (1)” insert “or the maximum postgraduate master’s degree loan in paragraph (1A)”.
- (4) In regulation 71 (calculation of student income - amount for an assessment period), in Step 1—
- (a) in paragraph (a) for “if regulation 68(2) applies (person with a student loan)” substitute “in so far as regulation 68(2) applies to a person with a student loan,”;
 - (b) at the end of paragraph (a) omit “or”;
 - (c) after paragraph (a) insert—

“(aa) in so far as regulation 68(2) applies to a person with a postgraduate master’s degree loan, 30 per cent. of the amount of the loan in relation to the year of the course in which the assessment period falls; or”;
 - (d) in paragraph (b), after “student loan” insert “or postgraduate master’s degree loan”.
- (5) In regulation 89 (claimants subject to no work-related requirements), after paragraph (3) insert—
- “(4) For the purposes of paragraph (1)(e)(ii), a claimant is not to be treated as having student income where—
- (a) that income is a postgraduate master’s degree loan; and
 - (b) the course in respect of which that loan is paid is not a full-time course.
- (5) In paragraph (4), “postgraduate master’s degree loan” has the meaning given in regulation 68(7).”.

Signed by authority of the Secretary of State for Work and Pensions

13th July 2016

Freud
Minister of State,
Department for Work and Pensions

(a) S.I. 2013/376. Relevant amending instrument is S.I.2013/630.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Support (General) Regulations 1987 (S.I.1987/1967), the Jobseeker's Allowance Regulations 1996 (S.I. 1996/207), the Housing Benefit Regulations 2006 (S.I.2006/213), the Employment and Support Allowance Regulations 2008 (S.I. 2008/794) and the Universal Credit Regulations 2013 (S.I. 2013/376).

In particular, the amendments at regulations 2(2) to (4) and (6), 3(2) to (4) and (6), 4(2) to (4) and (6), 5(2) to (4) and (6) and 6 provide that 30 per cent. of a loan paid by the Department for Business, Innovation and Skills to postgraduate students ("a postgraduate master's degree loan") is to be taken into account in calculating a student's income in determining their entitlements to benefits under those Regulations. They also provide that the student is deemed to possess that amount of such a loan where the student could have acquired it but has not taken reasonable steps to do so.

In relation to universal credit, these Regulations (regulation 6(5)) also provide that persons in receipt of a postgraduate master's degree loan are not to be regarded as having student income where a postgraduate master's degree loan is paid to them in respect of a course which is not a full-time course. Such persons would therefore be subject to work-related requirements in relation to their entitlement to universal credit.

The amendments at regulations 2(5), 3(5), 4(5) and 5(5) provide that a special support loan to defray the cost of books, equipment, travel or childcare incurred for the purpose of attending a designated course, is not to be taken into account in calculating a student's income in determining entitlement to income support, jobseeker's allowance, housing benefit and employment and support allowance.

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

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