

## SCHEDULE 2

Regulations 26(2), 28(2) and 33(3)

### SUMS TO BE DISREGARDED IN THE DETERMINATION OF EARNINGS

1. In the case of a relevant person who has been engaged in remunerative work as an employed earner or, had the employment been in Northern Ireland, would have been so engaged –

- (a) where –
  - (i) the employment has been terminated because of retirement; and
  - (ii) on retirement he is entitled to a retirement pension under the 1992 Act, or is not so entitled solely because of his failure to satisfy the contribution conditions, any earnings in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;
- (b) where before the date of the application the employment has been terminated otherwise than because of retirement, any earnings in respect of that employment except earnings to which regulation 25(1)(b) to (e), (g) and (h) (earnings of employed earners) applies;
- (c) where at the date of application –
  - (i) the employment has not been terminated, but
  - (ii) the relevant person is not engaged in remunerative work, any earnings in respect of that employment except earnings to which regulation 25(1)(d), (e), (i) and (k) and sub-paragraph (j) insofar as it relates to regulation 25(1)(i) applies.

2. In the case of a relevant person who before the date of application –

- (a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Northern Ireland, would have been so engaged had the employment been in Northern Ireland, and
- (b) has ceased to be engaged in that employment, whether or not that employment has been terminated,

any earnings in respect of that employment except –

- (i) where that employment has been terminated, earnings to which regulation 25(1)(e) applies,
- (ii) where that employment has not been terminated, earnings to which regulation 25(1)(e), (i) and (k) and sub-paragraph (j) insofar as it relates to regulation 25(1)(i) applies.

3.—(1) In a case to which this paragraph applies and paragraph 4 does not apply, £15; but notwithstanding regulation 18 (determination of income and capital of members of a relevant person's family and of a polygamous marriage) if this paragraph applies to a relevant person it shall not apply to his partner except where, and to the extent that, the earnings of the relevant person which are to be disregarded under this paragraph are less than £15.

(2) This paragraph applies where the relevant person's applicable amount includes an amount by way of the disability premium or severe disability premium under Schedule 1 (applicable amounts).

(3) This paragraph applies where –

- (a) the relevant person is a member of a couple and his applicable amount would, but for the higher pensioner premium under Schedule 1 being applicable, include an amount by way of the disability premium under that Schedule; and
- (b) he or his partner is under the age of 60 and at least one is engaged in employment.

(4) This paragraph applies where –

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- (a) the relevant person's applicable amount includes an amount by way of the higher pensioner premium under Schedule 1;
  - (b) the relevant person or, if he is a member of a couple, either he or his partner has attained the age of 60;
  - (c) immediately before attaining that age he or, as the case may be, he or his partner was engaged in employment and the relevant person would have been entitled by virtue of sub-paragraph (2) or (3) to a disregard of £15; and
  - (d) he or, if he is a member of a couple, he or his partner has continued in employment.
- (5) This paragraph applies where –
- (a) the relevant person is a member of a couple and his applicable amount would include an amount by way of the disability premium under Schedule 1, but for –
    - (i) the pensioner premium for persons aged 75 and over under that Schedule being applicable, or
    - (ii) the higher pensioner premium under that Schedule being applicable; and
  - (b) he or his partner has attained the age of 75 but is under the age of 80 and the other is under the age of 60 and at least one member of the couple is engaged in employment.
- (6) This paragraph applies where –
- (a) the relevant person is a member of a couple and he or his partner has attained the age of 75 but is under the age of 80 and the other has attained the age of 60;
  - (b) immediately before the younger member attained that age either member was engaged in employment and the relevant person would have been entitled by virtue of sub-paragraph (5) to a disregard of £15; and
  - (c) either he or his partner has continued in employment.
- (7) For the purposes of this paragraph, no account shall be taken of any period not exceeding 8 consecutive weeks occurring on or after the date on which the relevant person or, if he is a member of a couple, he or his partner attained the age of 60 during which either or both ceased to be engaged in employment.
4. In the case where the relevant person is a lone parent, £25.
- 5.—(1) In a case to which neither paragraph 3 nor 4 applies to the relevant person, and subject to sub-paragraph (2), where the relevant person's applicable amount includes an amount by way of the carer premium under Schedule 1 (applicable amounts), £15 of the earnings of the person who is, or at any time in the preceding 8 weeks was, in receipt of carer's allowance or treated in accordance with paragraph 16(2) of that Schedule as being in receipt of such an allowance.
- (2) Where the carer premium is awarded in respect of the relevant person and of any partner of his, their earnings shall, for the purposes of this paragraph, be aggregated, but the amount of earnings to be disregarded in accordance with sub-paragraph (1) shall not exceed £15 of the aggregated amount.
6. Where the carer premium is awarded in respect of a relevant person who is a member of a couple and whose earnings are less than £15, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment –
- (a) specified in paragraph 8(1), so much of the other member's earnings as would not, when aggregated with the amount disregarded under paragraph 5, exceed £15;
  - (b) other than an employment specified in paragraph 8(1), so much of the other member's earnings from such other employment up to £10 as would not, when aggregated with the amount disregarded under paragraph 5, exceed £15.

7. In a case where paragraphs 3, 5, 6 and 8 do not apply to the relevant person and he is one of a couple and a member of that couple is in employment, £10; but, notwithstanding regulation 18 (determination of income and capital of members of relevant person's family and of a polygamous marriage), if this paragraph applies to a relevant person it shall not apply to his partner except where, and to the extent that, the earnings of the relevant person which are to be disregarded under this paragraph are less than £10.

8.—(1) In a case to which none of paragraphs 3, 4, 5 or 6 applies to the relevant person, £15 of earnings derived from one or more employments as –

- (a) a part-time fireman in a fire brigade maintained in pursuance of the Fire Services (Northern Ireland) Order 1984(1);
- (b) an auxiliary coastguard in respect of coast rescue activities;
- (c) a person engaged part-time in the manning or launching of a life-boat;
- (d) a member of any territorial or reserve force prescribed in Part 1 of Schedule 6 to the Social Security (Contributions) Regulations 2001(2);
- (e) a person in the army whose service is restricted to part-time service in Northern Ireland pursuant to section 1 of the Army Act 1992(3), regulations made under section 2 of the Armed Forces Act 1966(4), or the terms of his commission;
- (f) a part-time member of the Police Service of Northern Ireland Reserve appointed under section 37 of the Police (Northern Ireland) Act 2000(5),

but, notwithstanding regulation 18 (determination of income and capital of members of relevant person's family and of a polygamous marriage), if this paragraph applies to a relevant person it shall not apply to his partner except to the extent specified in sub-paragraph (2).

(2) If the relevant person's partner is engaged in employment –

- (a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the relevant person's earnings disregarded under this paragraph exceed £15;
- (b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £10 as would not, in aggregate with the applicant's earnings disregarded under this paragraph, exceed £15.

9. Where the relevant person is engaged in one or more employments specified in paragraph 8(1), but his earnings derived from such employments are less than £15 in any week and he is also engaged in any other employment so much of his earnings from that other employment, up to £5 if he is a single person, or up to £10 if he has a partner, as would not, in aggregate with the amount of his earnings disregarded under paragraph 8, exceed £15.

10. In a case to which none of the paragraphs 3 to 9 applies, £5.

11. Any amount or the balance of any amount which would fall to be disregarded under paragraph 19 or 20 of Schedule 3 had the relevant person's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.

12. Where a relevant person –

- (a) is in receipt of income support, guarantee credit or an income-based jobseeker's allowance;
- or

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(1) S.I. 1984/1821 (N.I. 11); to which there are amendments not relevant to these Regulations

(2) S.I. 2001/1004

(3) 1992 c. 39

(4) 1966 c. 45; section 2 was amended by section 2 of the Army Act 1992

(5) 2000 c. 32

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- (b) is a member of a married or unmarried couple (within the meaning of the State Pension Credit Act (Northern Ireland) 2002)<sup>(6)</sup> and the other member of that couple is in receipt of guarantee credit, his earnings.

13. Any earnings derived from employment which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.

14. Where a payment of earnings is made in a currency other than sterling, any banking charges or commission payable in converting that payment into sterling.

15. Any earnings of a child or young person except earnings to which paragraph 16 applies.

16. In the case of earnings of a child or young person who has ceased full-time education for the purposes of section 138 of the 1992 Act (meaning of child) and who is engaged in remunerative work –

- (a) if an amount by way of a disabled child premium under Schedule 1 is included in the determination of his applicable amount, £15;
- (b) in any other case, £5.

17. In this Schedule “part-time employment” means employment in which the person is engaged on average for less than 16 hours a week.

18.—(1) In a case where the relevant person is a person who satisfies at least one of the conditions specified in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 3 to 10 shall be increased by £11·90.

(2) The conditions of this sub-paragraph are that –

- (a) the relevant person or, if he is a member of a couple, either the relevant person or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002<sup>(7)</sup> applies; or
- (b) the relevant person is, or if he is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week;
- (c) the relevant person is a member of a couple and –
  - (i) at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week;
  - (ii) the aggregate number of hours for which the couple are engaged in remunerative work is at least 30 hours per week; and
  - (iii) his applicable amount includes a family premium under paragraph 3 of Schedule 1;
- (d) the relevant person is a lone parent who is engaged in remunerative work for on average not less than 30 hours per week;
- (e) the relevant person is, or if he is a member of a couple, at least one member of that couple is or both members are, engaged in remunerative work for on average not less than 30 hours per week and –
  - (i) the relevant person’s applicable amount includes a higher pensioner premium or a disability premium under paragraph 9 or 11 of Schedule 1 respectively; and

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<sup>(6)</sup> 2002 c. 14 (N.I.)

<sup>(7)</sup> S.I. 2002/2005

(ii) where he is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the higher pensioner premium or disability premium referred to in paragraph (i) and is engaged in remunerative work for on average not less than 16 hours per week.

(3) The following are the amounts referred to in sub-paragraph (1) –

- (a) the amount calculated as disregardable from the relevant person's earnings under paragraphs 3 to 10;
- (b) the amount of child care charges calculated as deductible under regulation 19(1); and
- (c) £11·90.

(4) The provisions of regulation 4 of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 shall apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in paragraph (1) of that regulation were a reference to 30 hours.