

2002 No. 2442

SOCIAL SECURITY

**The Social Security Amendment (Personal Injury
Payments) Regulations 2002**

Made - - - - - 23rd September 2002

Laid before Parliament 27th September 2002

Coming into force - - 28th October 2002

The Secretary of State for Work and Pensions, in exercise of the powers conferred upon him by sections 123(1)(a), (d) and (e), 136(5)(b) and (d), 137(1), and 175(3) and (4) of the Social Security Contributions and Benefits Act 1992(a) and sections 12(4)(b) and (d), 35(1) and 36(2) of the Jobseekers Act 1995(b) and of all other powers enabling him in that behalf, after consultation, in respect of provisions in these Regulations relating to housing benefit and council tax benefit, with organisations appearing to him to be representative of the authorities concerned(c) and after agreement by the Social Security Advisory Committee that proposals in respect of these Regulations should not be referred to it(d), hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security Amendment (Personal Injury Payments) Regulations 2002 and shall come into force on 28th October 2002.

(2) In these Regulations—

“the Council Tax Benefit Regulations” means the Council Tax Benefit (General) Regulations 1992(e);

“the Housing Benefit Regulations” means the Housing Benefit (General) Regulations 1987(f);

“the Income Support Regulations” means the Income Support (General) Regulations 1987(g);

“the Jobseeker’s Allowance Regulations” means the Jobseeker’s Allowance Regulations 1996(h).

(a) 1992 c. 4; section 123(1)(e) was substituted and section 137 amended, with respect to council tax benefit, by Schedule 9 to the Local Government Finance Act 1992 (c. 14). Section 137(1) is an interpretation provision and is cited because of the meaning ascribed to the word “prescribed”. Section 175(1) was amended by paragraph 29 of Schedule 3 to, the Transfer of Functions Act 1999 (c. 11).

(b) 1995 c. 18; section 35(1) is an interpretation provision and is cited because of the meaning ascribed to the words “prescribed” and “regulations”.

(c) See section 176(1) of the Social Security Administration Act 1992 (c. 5).

(d) See sections 170 and 173(1)(b) of the Social Security Administration Act 1992; paragraph 67 of Schedule 2 to the Jobseekers Act 1995 added that Act to the list of “relevant enactments” in respect of which regulations must normally be referred to the Committee.

(e) S.I. 1992/1814.

(f) S.I. 1987/1971.

(g) S.I. 1987/1967.

(h) S.I. 1996/207.

Capital treated as income

2. There shall be added as—

- (a) regulation 25(5) of the Council Tax Benefit Regulations(a);
- (b) regulation 34(5) of the Housing Benefit Regulations(b);
- (c) regulation 41(7) of the Income Support Regulations(c);
- (d) regulation 104(6) of the Jobseeker's Allowance Regulations(d),

(which relate to capital treated as income), the following paragraph—

“Where an agreement or court order provides that payments shall be made to the claimant in consequence of any personal injury to the claimant and that such payments are to be made, wholly or partly, by way of periodical payments, any such periodical payments received by the claimant (but not a payment which is treated as capital by virtue of this Part), shall be treated as income.”.

Disregard of personal injury payments as income

3.—(1) In each of the provisions specified in paragraph (2) below—

- (a) in sub-paragraph (1), for the words “charitable payment or of any voluntary payment” there shall be substituted the words “relevant payment”;
- (b) in sub-paragraph (2), for the words “charitable payment or voluntary payment” there shall be substituted the words “relevant payment”;
- (c) in sub-paragraph (4), for the words “charitable or voluntary payments” there shall be substituted the words “relevant payments”;
- (d) after sub-paragraph (5), there shall be added as sub-paragraph (6) in the provisions specified in paragraph (2)(a) and (b) below and as sub-paragraph (5A) in the provisions specified in paragraph (2)(c) and (d) below, the following sub-paragraph—

“In this paragraph, “relevant payment” means—

- (a) a charitable payment;
- (b) a voluntary payment;
- (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the claimant;
- (d) a payment under an annuity purchased—
 - (i) pursuant to any agreement or court order to make payments to the claimant; or
 - (ii) from funds derived from a payment made,

in consequence of any personal injury to the claimant; or

- (e) a payment (not falling within sub-paragraphs (a) to (d) above) received by virtue of any agreement or court order to make payments to the claimant in consequence of any personal injury to the claimant.”

(2) The provisions specified for the purposes of paragraph (1) above (which relate to sums to be disregarded in the calculation of income other than earnings) are—

- (a) paragraph 13 of Schedule 4 to the Council Tax Benefit Regulations(e);

(a) Regulation 25 was amended by S.I. 1997/65.

(b) Regulation 34 was amended by S.I. 1990/546 and 671 and 1997/65.

(c) Regulation 41 was amended by S.I. 1988/663 and 1445, 1989/1034 and 1323, 1997/65, 1999/3178, 2000/2545 and 2001/3070.

(d) Regulation 104 was amended by S.I. 1997/65, 1999/2860, 2000/2545 and 2001/3070.

(e) The relevant amending instruments are S.I. 1993/688 and 1996/462.

- (b) paragraph 13 of Schedule 4 to the Housing Benefit Regulations(a);
- (c) paragraph 15 of Schedule 9 to the Income Support Regulations(b);
- (d) paragraph 15 of Schedule 7 to the Jobseeker's Allowance Regulations(c).

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

23rd September 2002

Ian McCartney
Minister of State,
Department for Work and Pensions

(a) The relevant amending instruments are S.I. 1990/1775, 1991/1599 and 2693, 1993/317 and 1996/462.
(b) The relevant amending instruments are S.I. 1990/547, 1991/1559 and 2693, 1993/315 and 2119, 1996/462 and 2001/3767.
(c) The relevant amending instrument is S.I. 2001/3767.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Council Tax Benefit (General) Regulations 1992 (S.I. 1992/1814), the Housing Benefit (General) Regulations 1987 (S.I. 1987/1971), the Income Support (General) Regulations 1987 (S.I. 1987/1967) and the Jobseeker's Allowance Regulations 1996 (S.I. 1996/207).

In particular, regulation 2 requires periodical payments received by virtue of any agreement or court order to make personal injury payments to the claimant to be treated as income. Regulation 3 provides that payments of income received from all trusts whose funds derive from personal injury payments to a claimant, from an annuity purchased with such funds and those received by virtue of any agreement or court order to make personal injury payments to the claimant, are to be disregarded in their entirety when used for items other than everyday living expenses and £20 of such income disregarded when used for such expenses.

These Regulations do not impose any charge on business.

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