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STATUTORY INSTRUMENTS

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**2013 No. 376**

**The Universal Credit Regulations 2013**

**PART 6**

**CALCULATION OF CAPITAL AND INCOME**

**CHAPTER 1**

**CAPITAL**

**Notional capital**

**50.**—(1) A person is to be treated as possessing capital of which the person has deprived themselves for the purpose of securing entitlement to universal credit or to an increased amount of universal credit.

(2) A person is not to be treated as depriving themselves of capital if the person disposes of it for the purposes of—

- (a) reducing or paying a debt owed by the person; or
- (b) purchasing goods or services if the expenditure was reasonable in the circumstances of the person's case.

(3) Where a person is treated as possessing capital in accordance with this regulation, then for each subsequent assessment period (or, in a case where the award has terminated, each subsequent month) the amount of capital the person is treated as possessing (“the notional capital”) reduces—

- (a) in a case where the notional capital exceeds £16,000, by the amount which the Secretary of State considers would be the amount of an award of universal credit that would be made to the person (assuming they met the conditions in section 4 and 5 of the Act) if it were not for the notional capital; or
- (b) in a case where the notional capital exceeds £6,000 but not £16,000 (including where the notional capital has reduced to an amount equal to or less than £16,000 in accordance with sub-paragraph (a)) by the amount of unearned income that the notional capital is treated as yielding under regulation 72.

**Changes to legislation:**

There are currently no known outstanding effects for the The Universal Credit Regulations 2013, Section 50.