

SCHEDULE 6

Regulation 60

DEDUCTIONS FROM BENEFIT AND DIRECT PAYMENT TO THIRD PARTIES

Interpretation

1.—^{F1}(1) In this Schedule—

“assessment period” has the meaning given by regulation 21 (assessment periods) of the Universal Credit Regulations ^{M1};

“the work allowance” means, in relation to any claimant, the amount applicable to that claimant under regulation 22(2) (deduction of income and work allowance) of the Universal Credit Regulations;

“child element” means, in relation to any claimant, any amount included in the claimant's award of universal credit under regulation 24 (the child element) of the Universal Credit Regulations;

“the Community Charges Regulations” means the Community Charges (Deductions from Income Support) (No. 2) Regulations 1990 ^{M2};

“the Community Charges (Scotland) Regulations” means the Community Charges (Deductions from Income Support) (Scotland) Regulations 1989 ^{M3};

“the Council Tax Regulations” means the Council Tax (Deductions from Income Support) Regulations 1993 ^{M4};

“the Fines Regulations” means the Fines (Deductions from Income Support) Regulations 1992 ^{M5};

“standard allowance” means, in relation to any claimant, any amount included in the claimant's award of universal credit under section 9(1) of the 2012 Act ^{M6};

“water charges” means—

(a) as respects England and Wales, any water and sewerage charges under Chapter 1 of Part 5 of the Water Industry Act 1991 ^{M7};

(b) as respects Scotland, any such charges established by Scottish Water under a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002 ^{M8};

^{F2} ...

^{F3}(2) For the purposes of this Schedule, where the relevant percentage of the standard allowance results in a fraction of a penny, that fraction is to be disregarded if it is less than half a penny and otherwise it is to be treated as a penny.]

- F1** Sch. 6 para. 1(1): Sch. 6 para. 1 renumbered as Sch. 6 para. 1(1) (29.7.2013) by [The Social Security \(Miscellaneous Amendments\) \(No. 2\) Regulations 2013 \(S.I. 2013/1508\)](#), regs. 1(2)(a), **6(3)(a)**
- F2** Words in Sch. 6 para. 1(1) omitted (29.7.2013) by virtue of [The Social Security \(Miscellaneous Amendments\) \(No. 2\) Regulations 2013 \(S.I. 2013/1508\)](#), regs. 1(2)(a), **6(3)(b)**
- F3** Sch. 6 para. 1(2) added (29.7.2013) by [The Social Security \(Miscellaneous Amendments\) \(No. 2\) Regulations 2013 \(S.I. 2013/1508\)](#), regs. 1(2)(a), **6(3)(c)**

Marginal Citations

- M1** S.I. 2013/376.
M2 S.I. 1990/545.
M3 S.I. 1989/507.
M4 S.I. 1993/494.
M5 S.I. 1992/2182.

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- M6** 2012 c.5.
M7 1991 c.56.
M8 2002 asp 3.

General

2.—(1) The Secretary of State may deduct an amount from a claimant's award of universal credit and pay that amount to a third party in accordance with the following provisions of this Schedule to discharge (in whole or part) a liability of the claimant to that third party.

(2) A payment made to a third party in accordance with this Schedule may be made at such intervals as the Secretary of State may direct.

Limitations applicable to deductions made under this Schedule

3.—(1) The Secretary of State may not deduct an amount from a claimant's award of universal credit under this Schedule and pay that amount to a third party if, in relation to any assessment period, that would—

- (a) reduce the amount payable to the claimant to less than one penny; or
- (b) result in more than three deductions being made, in relation to that assessment period, under one or more of the provisions mentioned in sub-paragraph (2).

(2) The provisions are—

- (a) paragraph 6 (housing costs) of this Schedule;
- (b) paragraph 7 (rent and service charges included in rent) of this Schedule;
- (c) paragraph 8 (fuel costs) of this Schedule;
- (d) paragraph 9 (water charges) of this Schedule;
- (e) paragraph 10 (payments in place of payments of child support maintenance) of this Schedule;
- (f) paragraph 11 (eligible loans) of this Schedule;
- (g) paragraph 12 (integration loans) of this Schedule;
- (h) regulation 3 (deductions from income support etc.) of the Community Charges Regulations;
- (i) regulation 3 (deductions from income support etc.) of the Community Charges (Scotland) Regulations;
- (j) regulation 5 (deduction from debtor's income support etc.) of the Council Tax Regulations^{M9}; and
- (k) regulation 4 (deductions from offender's income support etc.) of the Fines Regulations^{M10}.

(3) The aggregate amount deducted from a claimant's award of universal credit in relation to any assessment period and paid to a third party under paragraphs 8 (fuel costs) and 9 (water charges) of this Schedule must not, without the claimant's consent, exceed a sum equal to [^{F4}25%] of the aggregate of the standard allowance and any child element.

- F4** Words in Sch. 6 para. 3(3) substituted (29.7.2013) by [The Social Security \(Miscellaneous Amendments\) \(No. 2\) Regulations 2013 \(S.I. 2013/1508\)](#), regs. 1(2)(a), **6(3)(d)**

Marginal Citations

- M9** Relevant amending instruments are [S.I. 1999/3178](#), 2002/3019 and 2008/1554.

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M10 Relevant amending instruments are [S.I. 1999/3178](#), 2002/3019, 2004/2889 and 2008/1554.

Maximum amount

4.—(1) Except as provided for in sub-paragraph (4), the Secretary of State may not deduct an amount from a claimant's award of universal credit under a provision mentioned in paragraph 5(2) of this Schedule if, in relation to any assessment period, that would result in the Secretary of State deducting an amount in excess of [^{F5}40%] of the standard allowance (“the maximum amount”) from the claimant's award under one or more relevant provisions.

(2) The relevant provisions are—

- (a) those mentioned in paragraph 5(2) of this Schedule;
- (b) section 26 (higher-level sanctions) of the 2012 Act;
- (c) section 27 (other sanctions) of the 2012 Act;
- (d) section 71ZG (recovery of payments on account) of the Administration Act ^{M11};
- (e) section 6B of the Social Security Fraud Act 2001 (“the 2001 Act”) ^{M12};
- (f) section 7 of the 2001 Act ^{M13}; and
- (g) section 9 of the 2001 Act ^{M14}.

(3) For the purposes of determining whether the maximum amount would be exceeded, no account is to be taken of any liability for continuing need mentioned in—

- (a) paragraph 8(4)(b) (fuel costs) of this Schedule; or
- (b) paragraph 9(6)(b) or (7)(b)(water charges) of this Schedule.

(4) Subject to paragraph 3 of this Schedule, the Secretary of State may deduct an amount from the claimant's award under paragraph 6 (housing costs), ^{F6}... paragraph 8 (fuel costs)^{F7}, or the minimum amount which may be deducted under paragraph 7 (rent and service charges included in rent)] of this Schedule and pay that amount to a third party where the deduction appears to the Secretary of State to be in the claimant's best interests, even though the deduction would result in the maximum amount being exceeded.

F5 Words in Sch. 6 para. 4(1) substituted (29.7.2013) by [The Social Security \(Miscellaneous Amendments\) \(No. 2\) Regulations 2013 \(S.I. 2013/1508\)](#), regs. 1(2)(a), **6(3)(e)**

F6 Words in Sch. 6 para. 4(4) omitted (with effect in accordance with reg. 1(2) of the commencing S.I.) by virtue of [The Universal Credit and Miscellaneous Amendments \(No.2\) Regulations 2014 \(S.I. 2014/2888\)](#), regs. 1(1), **6(2)(a)(i)**

F7 Words in Sch. 6 para. 4(4) inserted (with effect in accordance with reg. 1(2) of the commencing S.I.) by [The Universal Credit and Miscellaneous Amendments \(No.2\) Regulations 2014 \(S.I. 2014/2888\)](#), regs. 1(1), **6(2)(a)(ii)**

Marginal Citations

M11 Section 71ZG was inserted by section 105(1) of the 2012 Act.

M12 Section 6B was inserted by section 24(1) of the [Welfare Reform Act 2009 \(c.24\)](#) and was amended by section 113(8)(a), section 118(1) to (6) and section 119(1) and (2) of, and paragraphs 56 and 58(1) to (4) of Schedule 2, paragraphs 15 and 16 of Schedule 3 and Part 1 of Schedule 14 to the 2012 Act.

M13 Section 7 was amended by paragraphs 44 and 45(1) and (2) of Schedule 2 to the [State Pension Credit Act 2002 \(c.16\)](#), [section 49\(1\)](#) of, and paragraph 23(1) and (2) of Schedule 3 to, the [Welfare Reform Act 2007 \(c.5\)](#) and paragraphs 1 and 2(1), (2)(a), (3)(a) and (b) of Schedule 4 to the Welfare Reform Act 2009. It was also amended by section 118(1) and (7), section 119(1) and (3) to (11) of, and paragraphs 56 and 59(1) to (4) of Schedule 2, paragraphs 15 and 17 of Schedule 3 and Part 1 of Schedule 14 to the 2012 Act.

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M14 Section 9 was amended by paragraphs 44 and 46(1) to (3) of Schedule 2 to the State Pension Credit Act 2002, paragraph 23(1), (4) and (5) of Schedule 3 to the Welfare Reform Act 2007 and paragraphs 1 and 4(1) to (3) of Schedule 4 to the Welfare Reform Act 2009. It was also amended by section 113(8)(b), paragraphs 56 and 61(1) to (5) of Schedule 2 and Parts 1 and 12 of Schedule 14 to the 2012 Act.

Priority as between certain debts

- 5.—(1) This paragraph applies to a claimant (“C”) where, in relation to any assessment period—
- (a) a deduction could otherwise be made from C's award under more than one of the provisions mentioned in sub-paragraph (2); and
 - (b) the amount of universal credit payable to C in relation to that assessment period is insufficient to enable the Secretary of State to meet all of the liabilities for which in C's case deductions may be made under those provisions or the deduction, were it to be made, would mean that the maximum amount referred to in paragraph 4(1) would be exceeded.
- (2) The provisions are—
- (a) paragraph 6 (housing costs) of this Schedule;
 - (b) paragraph 7 (rent and service charges included in rent) of this Schedule [^{F8}where the amount of the deduction equals 10% of the standard allowance];
 - (c) paragraph 8 (fuel costs) of this Schedule;
 - (d) regulation 3 (deductions from income support etc.) of the Community Charges Regulations, regulation 3 (deductions from income support etc.) of the Community Charges (Scotland) Regulations or (because no such payments are being made in C's case) regulation 5 (deduction from debtor's income support etc.) of the Council Tax Regulations;
 - (e) regulation 4 (deductions from offender's income support etc.) of the Fines Regulations ^{F9} ...;
 - (f) paragraph 9 (water charges) of this Schedule;
 - (g) paragraph 10 (payments in place of child support maintenance) of this Schedule;
 - (h) Schedule 7 (deductions from benefit in respect of child support maintenance and payment to persons with care) to these Regulations;
 - (i) section 78(2) (recovery of social fund awards) of the Administration Act;
 - (j) section 71ZH(1)(a) or (b) (recovery of hardship payments etc.) of the [^{F10}Administration Act]^{M15};
 - (k) section 115A (penalty as alternative to prosecution) of the Administration Act ^{M16} where an overpayment is recoverable from a person by, or due from a person to, the Secretary of State or an authority under or by virtue of section 71 (overpayments – general)^{M17}, section 75 (overpayments of housing benefit) ^{M18} or section 71ZB (recovery of overpayments of certain benefits) of that Act ^{M19};
 - (l) section 71 (overpayments – general), section 71ZC (deduction from benefit) ^{M20} or section 75(4) (overpayments of housing benefit) of the Administration Act or an overpayment of working tax credit or child tax credit, where in each case, the overpayment (or part of it) is the result of fraud;
 - (m) section 115C(4) (incorrect statements etc.) ^{M21} and section 115D(4) (failure to disclose information) ^{M22} of the Administration Act;
 - (n) section 71 (overpayments – general), section 71ZC (deduction from benefit) or section 75(4) (overpayments of housing benefit) of the Administration Act or an

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overpayment of working tax credit or child tax credit, where in each case, the overpayment (or part of it) is not the result of fraud;

- (o) paragraph 12 (integration loans) of this Schedule;
- (p) paragraph 11 (eligible loans) of this Schedule;

[^{F11}(pa) paragraph 7 (rent and service charges included in rent) where the amount of deduction exceeds the minimum amount that may be deducted under that paragraph;]

^{F12}(q)

(3) Where this paragraph applies to a claimant, the Secretary of State must make a deduction under any of the provisions mentioned sub-paragraph (2) in accordance with sub-paragraphs (4) and (5).

(4) The Secretary of State must give priority to any such deductions in the order in which they are listed in sub-paragraph (2), with housing costs having the priority.

(5) Where two or more provisions mentioned in any single paragraph of sub-paragraph (2) apply to the claimant, unless the Secretary of State directs otherwise, those deductions have equal priority with each other and the amount of such deductions are to be apportioned accordingly.

(6) For the purposes of sub-paragraph (2)(l) and (n), an overpayment is the result of fraud if, in relation to that overpayment or that part of it, the claimant—

- (a) has been found guilty of an offence whether under statute or otherwise;
- (b) made an admission after caution of deception or fraud for the purpose of obtaining benefit under the Administration Act, or in the case of a tax credit, under the Tax Credits Act 2002^{M23}; or
- (c) agreed to pay a penalty under section 115A of the Administration Act (penalty as an alternative to prosecution) and the agreement has not been withdrawn.

- F8** Words in Sch. 6 para. 5(2)(b) inserted (with effect in accordance with reg. 1(2) of the commencing S.I.) by [The Universal Credit and Miscellaneous Amendments \(No.2\) Regulations 2014 \(S.I. 2014/2888\)](#), regs. 1(1), **6(2)(b)(i)**
- F9** Words in Sch. 6 para. 5(2)(e) omitted (29.10.2021) by virtue of [The Fines \(Deductions from Income Support\) \(Miscellaneous Amendments\) Regulations 2021 \(S.I. 2021/1077\)](#), regs. 1(1), **3(2)**
- F10** Words in Sch. 6 para. 5(2)(j) substituted (with effect in accordance with reg. 1(3) of the amending S.I.) by [The Universal Credit and Miscellaneous Amendments Regulations 2015 \(S.I. 2015/1754\)](#), regs. 1(1), **9**
- F11** Sch. 6 para. 5(2)(pa) inserted (with effect in accordance with reg. 1(2) of the commencing S.I.) by [The Universal Credit and Miscellaneous Amendments \(No.2\) Regulations 2014 \(S.I. 2014/2888\)](#), regs. 1(1), **6(2)(b)(ii)**
- F12** Sch. 6 para. 5(2)(q) omitted (29.10.2021) by virtue of [The Fines \(Deductions from Income Support\) \(Miscellaneous Amendments\) Regulations 2021 \(S.I. 2021/1077\)](#), regs. 1(1), **3(3)**

Marginal Citations

- M15** Section 71ZH was inserted by section 105(1) of the 2012 Act.
- M16** Section 115A was inserted by section 15 of the [Social Security Fraud Act 1997 \(c.47\)](#) and amended by sections 1(1) and 14 of the [Social Security Fraud Act 2001 \(c.11\)](#) and section 105(3), section 113(1) to (7), section 114(1), section 115(1) and (2) of, and Part 1 of Schedule 14 to, the 2012 Act.
- M17** Section 71 was amended by section 32(1) of, and paragraph 48 of Schedule 2 to, the [Jobseekers Act 1995 \(c.18\)](#), **section 1(2)** and (4) of the [Social Security \(Overpayments\) Act 1996 \(c.51\)](#), **paragraph 81(1)** and (3) of Schedule 7 to the [Social Security Act 1998 \(c.14\)](#) and paragraphs 8 and 10 of Schedule 2 to the [State Pension Credit Act 2002 \(c.16\)](#). It was also amended by paragraph 58(1) to (3) of Schedule 24 to the [Civil Partnership Act 2004 \(c.33\)](#), **section 44(1)** and (3) of, and paragraph 10(1) and (6) of Schedule 3, to, the [Welfare Reform Act 2007 \(c.5\)](#), **section 132(4)** of the [Health and Social Care Act 2008 \(c.14\)](#),

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- sections 105(2)** and 106(1) of, and paragraphs 7 and 10 of Schedule 9 to, the 2012 Act. A relevant amending instrument is [S.I. 2008/2833](#).
- M18** Section 75 was amended by section 16 of, and Schedule 1 to, the [Social Security Administration \(Fraud\) Act 1997 \(c.47\)](#), **section 71** of the [Child Support, Pensions and Social Security Act 2000 \(c.19\)](#) and section 106(3) of the 2012 Act.
- M19** Section 71ZB was inserted by section 105(1) of the 2012 Act.
- M20** Section 71ZC was inserted by section 105(1) of the 2012 Act.
- M21** Section 115C was inserted by section 116(1) of the 2012 Act.
- M22** Section 115D was inserted by section 116(1) of the 2012 Act.
- M23** [2002 c.21](#).

Housing costs

6.—(1) This paragraph applies where the following condition is met.

(2) The condition is that in any assessment period the claimant is in debt for any item of housing costs which is included in the claimant's award of universal credit under Schedule 5 (housing costs element for owner-occupiers) to the Universal Credit Regulations.

(3) Where this paragraph applies, but subject to sub-paragraph (4), the Secretary of State may, in such cases and circumstances as the Secretary of State may determine, in relation to that assessment period deduct an amount from the claimant's award equal to 5% of the standard allowance in respect of any debt mentioned in sub-paragraph (2) and pay that amount or those amounts to the person to whom any such debt is owed.

(4) Before the Secretary of State may commence (or re-commence) making deductions in respect of any such debt, the claimant's earned income (or in the case of joint claimants their combined earned income) in relation to the previous assessment period must not exceed the work allowance.

^{F13}(5)

^{F13}(6)

F13 [Sch. 6 para. 6\(5\)\(6\)](#) omitted by [S.I. 2017/725](#), [Sch. 5 para. 8\(d\)](#) (as inserted) (6.4.2018) by virtue of [The Loans for Mortgage Interest and Social Fund Maternity Grant \(Amendment\) Regulations 2018 \(S.I. 2018/307\)](#), regs. 1(2), **2(18)(e)**

Rent and service charges included in rent

7.—(1) This paragraph applies where all of the following conditions are met.

(2) The first condition is that in any assessment period the claimant—

- (a) has an award of universal credit which includes an amount under Schedule 4 (housing costs element for renters) to the Universal Credit Regulations; or
- (b) occupies exempt accommodation and has an award of housing benefit under section 130 (housing benefit) of the Contributions and Benefits Act ^{M24}.

(3) The second condition is that the claimant is in debt for any—

- (a) rent payments;
- (b) service charges which are paid with or as part of the claimant's rent.

(4) The third condition is that the claimant occupies the accommodation to which the debt relates.

(5) Where this paragraph applies, but subject to sub-paragraphs (6) and (7), the Secretary of State may, in such cases and circumstances as the Secretary of State may determine, deduct in relation to that assessment period an amount from the claimant's award [^{F14}which is no less than 10% and

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no more than 20%] of the standard allowance and pay that amount to the person to whom the debt is owed.

(6) Before the Secretary of State may commence (or re-commence) making deductions in respect of such a debt, the claimant's earned income (or in the case of joint claimants their combined earned income) in relation to the previous assessment period must not exceed the work allowance.

(7) The Secretary of State must stop making such deductions if, in relation to the three assessment periods immediately preceding the date on which the next deduction could otherwise be made, the claimant's earned income (or in the case of joint claimants their combined earned income) equals or exceeds the work allowance.

(8) In this paragraph—

“exempt accommodation” has the meaning given by paragraph 1 of Schedule 1 (interpretation) to the Universal Credit Regulations;

“rent payments” includes any elements included in the claimant's rent which would not fall to be treated as rent under the Housing Benefit Regulations 2006^{M25} or as rent payments under the Universal Credit Regulations;

“service charges” includes any items in a charge for services in respect of the accommodation occupied by the claimant which would not fall to be treated as service charges under the Universal Credit Regulations.

F14 Words in Sch. 6 para. 7(5) substituted (with effect in accordance with reg. 1(2) of the commencing S.I.) by [The Universal Credit and Miscellaneous Amendments \(No.2\) Regulations 2014 \(S.I. 2014/2888\)](#), regs. 1(1), **6(2)(c)**

Marginal Citations

M24 1992 c.4. Section 130 was amended by paragraph 3 of Schedule 9 to the [Local Government Finance Act 1992 \(c.14\)](#) and paragraph 1(1) and (3) of Schedule 5 to the [Welfare Reform Act 2007 \(c.5\)](#).

M25 [S.I. 2006/213](#).

Fuel costs

8.—(1) This paragraph applies where the following condition is met.

(2) The condition is that in any assessment period the claimant is in debt for any ^{F15}fuel item].

(3) Where this paragraph applies, but subject to sub-paragraphs ^{F16}(4A), (5) and (6)], the Secretary of State may, in such cases and circumstances as the Secretary of State may determine, deduct in relation to that assessment period the following amounts from the claimant's award and pay them to the person to whom the payment is due.

(4) The amount which may be deducted in respect of any fuel item is—

(a) an amount equal to 5% of the standard allowance; and

(b) an additional amount which the Secretary of State estimates is ^{F17}not more than] the average monthly cost necessary to meet the claimant's continuing need for ^{F18}the fuel in respect of which the debt arose, plus such monthly amount as is required to meet any payments required to be made under a green deal plan within the meaning of section 1 of the Energy Act 2011 (“the 2011 Act”)], except where current consumption is paid for by other means such as a pre-payment meter.

^{F19}(4A) The Secretary of State may only make deductions under sub-paragraph (4)(b) if—

(a) an application for deductions is made by the person to whom the payment is due; and

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(b) except where the application is for a reduction in the amount of a deduction, the claimant consents to the application.]

(5) Before the Secretary of State may commence (or re-commence) making deductions in respect of such a debt, the claimant's earned income (or in the case of joint claimants their combined earned income) in relation to the previous assessment period must not exceed the work allowance.

(6) The Secretary of State must stop making such deductions if, in relation to the three assessment periods immediately preceding the date on which the next deduction could otherwise be made, the claimant's earned income (or in the case of joint claimants their combined earned income) equals or exceeds the work allowance.

(7) As between liabilities for items of gas or electricity, the Secretary of State must give priority to whichever liability the Secretary of State considers it would, having regard to the circumstances and to any requests of the claimant, be appropriate to discharge.

[^{F20}(8) In this paragraph, “fuel item” means—

- (a) any charge for mains gas, including for the reconnection of mains gas;
- (b) any charge for mains electricity and including any charge for the disconnection and reconnection of mains electricity and including any payments required to be made under a green deal plan within the meaning of section 1 of the 2011 Act.]

F15 Words in Sch. 6 para. 8(2) substituted (29.4.2013 with effect in accordance with reg. 1(3)) by [The Social Security \(Miscellaneous Amendments\) Regulations 2013 \(S.I. 2013/443\)](#), regs. 1, **10(a)**

F16 Words in Sch. 6 para. 8(3) substituted (1.4.2023) by [The Social Security Benefits \(Claims and Payments\) \(Amendment\) Regulations 2023 \(S.I. 2023/232\)](#), regs. 1(1), **3(2)** (with reg. 1(3))

F17 Words in Sch. 6 para. 8(4)(b) substituted (1.4.2023) by [The Social Security Benefits \(Claims and Payments\) \(Amendment\) Regulations 2023 \(S.I. 2023/232\)](#), regs. 1(1), **3(3)** (with reg. 1(3))

F18 Words in Sch. 6 para. 8(4)(b) substituted (29.4.2013 with effect in accordance with reg. 1(3)) by [The Social Security \(Miscellaneous Amendments\) Regulations 2013 \(S.I. 2013/443\)](#), regs. 1, **10(b)**

F19 Sch. 6 para. 8(4A) inserted (1.4.2023) by [The Social Security Benefits \(Claims and Payments\) \(Amendment\) Regulations 2023 \(S.I. 2023/232\)](#), regs. 1(1), **3(4)** (with reg. 1(3))

F20 Sch. 6 para. 8(8) added (29.4.2013 with effect in accordance with reg. 1(3)) by [The Social Security \(Miscellaneous Amendments\) Regulations 2013 \(S.I. 2013/443\)](#), regs. 1, **10(c)**

Modifications etc. (not altering text)

C1 Sch. 6 para. 8 modified (temp.) (26.4.2022) by [The Social Security Benefits \(Claims and Payments\) \(Modification\) Regulations 2022 \(S.I. 2022/428\)](#), regs. 1(1), **4** (with reg. 1(3)(4))

Water charges

9.—(1) This paragraph applies where the following condition is met.

(2) The condition is that in any assessment period the claimant is in debt for water charges, including any charges for reconnection (“the original debt”).

(3) Where this paragraph applies, but subject to sub-paragraphs (4) and (5), the Secretary of State may, in such cases and circumstances as the Secretary of State may determine, deduct an amount from the claimant's award in accordance with sub-paragraphs (6) to (8) and pay it to a water undertaker to whom the payment is due or to the person or body authorised to collect water charges for that undertaker.

(4) Before the Secretary of State may commence (or re-commence) making deductions in respect of such a debt, the claimant's earned income (or in the case of joint claimants their combined earned income) in relation to the previous assessment period must not exceed the work allowance.

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(5) The Secretary of State must stop making such deductions if, in relation to the three assessment periods immediately preceding the date on which the next deduction could otherwise be made, the claimant's earned income (or in the case of joint claimants their combined earned income) equals or exceeds the work allowance.

(6) Where water charges are determined by means of a water meter, the amount to be deducted under this paragraph in relation to any assessment period is to be—

- (a) an amount equal to 5% of the standard allowance towards discharging the original debt; and
- (b) an additional amount which the Secretary of State estimates to be the average monthly cost necessary to meet the claimant's continuing need for water consumption.

(7) Where water charges are determined otherwise than by means of a water meter, the amount to be deducted in relation to any assessment period under this paragraph is to be—

- (a) the amount referred to in sub-paragraph (6)(a); and
- (b) an additional amount equal to the cost necessary to meet the continuing need for water consumption in that assessment period.

(8) Where the claimant is in debt to two water undertakers—

- (a) only one amount under sub-paragraph (6)(a) or (7)(a) may be deducted;
- (b) a deduction in respect of an original debt for sewerage may only be made after the whole debt in respect of an original debt for water has been paid; and
- (c) deductions in respect of continuing charges for both water and for sewerage may be made at the same time.

(9) In this paragraph “water undertaker” means—

- (a) in relation to any area in England and Wales, a company holding an appointment as a water undertaker or a sewerage undertaker under the Water Industry Act 1991 ^{M26}; or
- (b) in relation to any area in Scotland, Scottish Water.

<p>Marginal Citations M26 1991 c.56.</p>
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Payments in place of payments of child support maintenance

^{F21}10.

<p>F21 Sch. 6 para. 10 omitted (4.7.2019) by virtue of The Child Support (Miscellaneous Amendments) Regulations 2019 (S.I. 2019/1084), regs. 1(3), 7</p>

Eligible loans

^{F22}11.—(1) This paragraph applies where [^{F23}in any assessment period the claimant is in arrears in respect of a loan entered into (whether solely or jointly) with an eligible lender in respect of an eligible loan].

^{F24}(2)

^{F24}(3)

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(4) Where the claimant has an award of universal credit, the Secretary of State may, in such cases and circumstances as the Secretary of State may determine, deduct in relation to the assessment period referred to in sub-paragraph (2) an amount from the claimant's award equal to 5% of the standard allowance and pay that amount to the eligible lender towards discharging the amount owing under the loan agreement.

(5) In a case where the claimant has an award of universal credit but the amount payable to the claimant in relation to that assessment period is insufficient to enable such a deduction to be made, the Secretary of State may instead deduct a weekly amount equal to 5% of the personal allowance for a single claimant aged not less than 25 from any employment and support allowance or jobseeker's allowance awarded to the claimant and pay that amount to the eligible lender.

(6) In a case where the claimant does not have an award of universal credit, but has an award of an employment and support allowance or a jobseeker's allowance, the Secretary of State may deduct a weekly amount equal to 5% of the personal allowance for a single claimant aged not less than 25 from any such award and pay that amount to the eligible lender.

(7) The Secretary of State must not make deductions from a claimant's employment and support allowance or a jobseeker's allowance under this paragraph if that would reduce the amount payable to the claimant to less than 10 pence.

^{F25}(8) In this paragraph—

“eligible benefit” means—

- (a) an employment and support allowance;
- (b) a jobseeker's allowance;
- (c) universal credit;

“eligible lender” means—

- (a) a body registered under section 1 (societies which may be registered) of the Industrial and Provident Societies Act 1965 ^{M27};
- (b) a credit union within the meaning of section 1 (registration under the Industrial and Provident Societies Act 1965) of the Credit Unions Act 1979 ^{M28};
- (c) a charitable institution within the meaning of section 58(1) (interpretation of Part 2) of the Charities Act 1992 ^{M29};
- (d) a body entered on the Scottish Charity Register under section 3 (Scottish Charities Register) of the Charities and Trustee Investment (Scotland) Act 2005 ^{M30};
- (e) a community interest company within the meaning of Part 2 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 ^{M31},

which, except for a credit union, [^{F25}has permission under the Financial Services and Markets Act 2000 to enter into a contract of the kind mentioned in paragraph 23 or paragraph 23B of Schedule 2 to that Act (credit agreements and contracts for hire of goods);]^{M32} and which the Secretary of State considers is an appropriate body to which payments on behalf of the claimant may be made in respect of loans made by that body;

“eligible loan” means a loan made by a lender who is, at the time the loan agreement is made, an eligible lender, to a claimant except a loan which—

- (a) is secured by a charge or pledge;
- (b) is for the purpose of business or self-employment; or
- (c) was made by means of a credit card;

“loan agreement” means an agreement between the eligible lender and the claimant in respect of an eligible loan;

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“5% of the personal allowance” means 5% of the personal allowance applicable in the claimant's case, rounded up (in any case where that calculation produces a result which is not a multiple of five pence) to the next higher multiple of five pence.

[^{F22}(9) The definition of “eligible lender” must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000,
- (b) any relevant order under that section, and
- (c) Schedule 2 to that Act.]

- F22** Sch. 6 para. 11(9) inserted (26.7.2013 for specified purposes) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013 \(S.I. 2013/1881\)](#), art. 1(2)(6), **Sch. para. 45(b)**
- F23** Words in Sch. 6 para. 11(1) substituted (28.4.2014) by [The Universal Credit and Miscellaneous Amendments Regulations 2014 \(S.I. 2014/597\)](#), regs. 1, **5(a)(i)**
- F24** Sch. 6 para. 11(2)(3) omitted (28.4.2014) by virtue of [The Universal Credit and Miscellaneous Amendments Regulations 2014 \(S.I. 2014/597\)](#), regs. 1, **5(a)(ii)**
- F25** Words in Sch. 6 para. 11(8) substituted (26.7.2013 for specified purposes) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013 \(S.I. 2013/1881\)](#), art. 1(2)(6), **Sch. para. 45(a)**

Marginal Citations

- M27** 1965 c.12. Relevant amending instruments are [S.I. 2001/2617](#) and 2009/1941.
- M28** 1979 c.34. Relevant amending instruments are [S.I. 2001/2617](#), 2002/1501, 2003/256 and 2011/2687.
- M29** 1992 c.41. Section 58(1) was amended by section 25 of the [Deregulation and Contracting Out Act 1994 \(c.40\)](#), **paragraphs 89** and 90(1) and (2) of Schedule 8 to the [Charities Act 2006 \(c.50\)](#) and paragraph 65(1) of Schedule 7 to the [Charities Act 2011 \(c.25\)](#).
- M30** 2005 asp 10.
- M31** 2004 c.27.
- M32** 1974 c.39.

Integration loans

12.—(1) This paragraph applies where [^{F26}the claimant has an integration loan which is recoverable by deductions].

^{F27}(2)

^{F27}(3)

(4) Where this paragraph applies, the amount payable by deductions in any assessment period is to be equal to 5% of the standard allowance.

(5) In this paragraph, “integration loan which is recoverable by deductions” means an integration loan which is made under the Integration Loans for Refugees and Others Regulations 2007 ^{M33} and which is recoverable from the claimant by deductions from the claimant's award of universal credit under regulation 9 of those Regulations.

- F26** Words in Sch. 6 para. 12(1) substituted (28.4.2014) by [The Universal Credit and Miscellaneous Amendments Regulations 2014 \(S.I. 2014/597\)](#), regs. 1, **5(b)(i)**
- F27** Sch. 6 para. 12(2)(3) omitted (28.4.2014) by virtue of [The Universal Credit and Miscellaneous Amendments Regulations 2014 \(S.I. 2014/597\)](#), regs. 1, **5(b)(ii)**

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Marginal Citations

M33 [S.I. 2007/1598](#).

Changes to legislation:

There are currently no known outstanding effects for the The Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013, SCHEDULE 6.