

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, Paragraph 11. (See end of Document for details)

SCHEDULE 6

DEDUCTIONS FROM BENEFIT AND DIRECT PAYMENT TO THIRD PARTIES

Eligible loans

^{F1}11.—(1) This paragraph applies where [^{F2}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].

^{F3}(2)

^{F3}(3)

(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.

^{F4}(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 ^{M1};
- (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 ^{M2};
- (c) a charitable institution within the meaning of section 58(1) (interpretation of Part 2) of the Charities Act 1992 ^{M3};
- (d) a body entered on the Scottish Charity Register under section 3 (Scottish Charities Register) of the Charities and Trustee Investment (Scotland) Act 2005 ^{M4};
- (e) a community interest company within the meaning of Part 2 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 ^{M5},

which, except for a credit union, [^{F4}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

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, Paragraph 11. (See end of Document for details)

of Schedule 2 to that Act (credit agreements and contracts for hire of goods);]^{M6} 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;

“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.

[^{F1}(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.]

- F1** 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\(b\)](#)
- F2** 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\(a\)\(i\)](#)
- F3** 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\(a\)\(ii\)](#)
- F4** 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

- M1** 1965 c.12. Relevant amending instruments are [S.I. 2001/2617](#) and 2009/1941.
- M2** 1979 c.34. Relevant amending instruments are [S.I. 2001/2617](#), 2002/1501, 2003/256 and 2011/2687.
- M3** 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 \(c.25\)](#).
- M4** 2005 asp 10.
- M5** 2004 c.27.
- M6** 1974 c.39.

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, Paragraph 11.