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STATUTORY INSTRUMENTS

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**2013 No. 383**

**The Social Security (Payments on  
Account of Benefit) Regulations 2013**

**PART 3**

Budgeting advances

**Payment of budgeting advances**

**11.**—(1) The Secretary of State may make a payment on account of universal credit to a person (“B”) in accordance with this Part.

(2) A payment under this Part is to be known as a budgeting advance.

**Conditions for payment of budgeting advances**

**12.**—(1) The Secretary of State may make a budgeting advance to B for the purpose of defraying an intermittent expense of B if—

- (a) B makes an application to the Secretary of State for a budgeting advance;
- (b) B, or in a case where B is a member of a couple, B or their partner, is in receipt of universal credit;
- (c) except where paragraph (2) applies, B or, in a case where B is a member of a couple, B or their partner, has been in receipt of benefit for a continuous period of at least 6 months on the date of the application for a budgeting advance;
- (d) the earnings condition in regulation 13 is satisfied; and
- (e) the recovery condition in regulation 14 is satisfied.

(2) This paragraph applies where the intermittent expense to be defrayed is necessarily related to B or, in a case where B is a member of a couple, their partner, obtaining or retaining employment.

(3) For the purposes of paragraph (1)(c), “benefit” means—

- (a) universal credit;
- (b) employment and support allowance;
- (c) income support;
- (d) jobseeker's allowance; or
- (e) state pension credit.

(4) For the purposes of paragraph (3)—

- (a) “employment and support allowance” means an income-related allowance under Part 1 of the 2007 Act as it has effect apart from the amendments made by Schedule 3, and Part 1 of Schedule 14, to the 2012 Act (to remove references to an income-related allowance);

- (b) “jobseeker's allowance” means an income-based jobseeker's allowance under the 1995 Act as it has effect apart from the amendments made by Part 1 of Schedule 14 to the 2012 Act (to remove references to an income-based allowance).

**[<sup>F1</sup>Earnings condition**

**13.—**(1) The earnings condition is satisfied—

- (a) in a case where regulation 12(2) (expenses necessarily related to obtaining or retaining employment) does not apply, where paragraph (2) is satisfied;
- (b) in a case where regulation 12(2) does apply, where paragraph (4) is satisfied.

(2) This paragraph is satisfied where—

- (a) if B is not a member of a couple, B does not have earned income exceeding £2,600, or
- (b) if B is a member of a couple, B and their partner jointly do not have earned income exceeding £3,600,

over the relevant period.

(3) In paragraph (2), “the relevant period” means the period covered by the six complete assessment periods preceding the date of the application for the budgeting advance.

(4) This paragraph is satisfied where—

- (a) if B is not a member of a couple, B does not have earned income, or
- (b) if B is a member of a couple, B and their partner jointly do not have earned income,

exceeding the permitted amount over the applicable period.

(5) In paragraph (4), “the permitted amount over the applicable period” is to be determined by the formula—

where—

N is the number of complete assessment periods in the applicable period, and

P is—

- (i) where sub-paragraph (4)(a) applies, £2,600;
- (ii) where sub-paragraph (4)(b) applies, £3,600.

(6) For the purposes of paragraphs (4) and (5), “the applicable period” means—

- (a) if there are six or more complete assessment periods immediately preceding the date of the application for the budgeting advance, the period covered by the six complete assessment periods immediately preceding the date of the application for the budgeting advance;
- (b) if there are fewer than six complete assessment periods immediately preceding the date of the application for the budgeting advance, the number of complete assessment periods immediately preceding the date of the application for the budgeting advance.

(7) Earned income for each complete assessment period is to be calculated for the purposes of this regulation in accordance with Chapter 2 of Part 6 of the Universal Credit Regulations save that in relation to the earned income of a person who is in gainful self-employment for the purpose of regulation 64 of these Regulations, regulation 62 of those Regulations (minimum income floor) is to be disregarded.

(8) In this regulation, “assessment period” has the meaning given in regulation 21 of the Universal Credit Regulations.]

**F1** [Reg. 13](#) substituted (with effect in accordance with reg. 1(3) of the commencing S.I.) by [The Universal Credit and Miscellaneous Amendments Regulations 2015 \(S.I. 2015/1754\)](#), regs. 1(1), 7

### **Recovery condition**

**14.** The recovery condition is satisfied where—

- (a) no amount in respect of any budgeting advance previously paid to B or, if B is a member of a couple, B or their partner, remains to be recovered by the Secretary of State; and
- (b) taking into account all debts and other liabilities of B or, if B is a member of a couple, of B and their partner, the Secretary of State is satisfied that the budgeting advance can reasonably be expected to be recovered.

### **Minimum and maximum amounts payable by way of budgeting advance**

**15.—(1)** The minimum amount payable by way of budgeting advance is £100.

(2) Subject to regulation 16(2), the maximum amount payable by way of budgeting advance is—

- (a) where B is neither a member of a couple nor responsible for any child or qualifying young person, £348;
- (b) where B is a member of a couple but is not responsible for any child or qualifying young person, £464;
- (c) where B is responsible for any child or qualifying young person, £812.

### **Treatment of capital**

**16.—(1)** Where the total of B's capital or, in a case where B is a member of a couple, the total of B's and their partner's capital, exceeds £1,000, the amount of any budgeting advance which may otherwise be paid must be reduced by the amount by which that capital exceeds £1,000.

(2) No budgeting advance is payable where, as a result of paragraph (1), the amount of any budgeting advance which would otherwise be payable is reduced to less than £100.

(3) Capital is to be calculated for the purposes of paragraph (1) in accordance with Chapter 1 of Part 6 of the Universal Credit Regulations.

### **Requirement for notice**

**17.—(1)** The Secretary of State must, on or before making a budgeting advance to B, give or send notice in writing to B of their liability—

- (a) to have the amount of the budgeting advance deducted from subsequent payments of universal credit; and
- (b) to repay the amount of the budgeting advance to the extent that it is not deducted from subsequent payments of universal credit.

(2) Where B is a member of a couple, notice in writing must also be given or sent to their partner containing the information referred to in paragraph (1)(a) and (b).

### **[<sup>F2</sup>Payment by direct credit transfer**

**18.** A budgeting advance may be paid by way of direct credit transfer into a bank account or other account nominated by B or a person acting on B's behalf.]

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**Changes to legislation:** *There are currently no known outstanding effects for the The Social Security (Payments on Account of Benefit) Regulations 2013, PART 3. (See end of Document for details)*

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**F2** Reg. 18 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), **5(1)(c)**

**Changes to legislation:**

There are currently no known outstanding effects for the The Social Security (Payments on Account of Benefit) Regulations 2013, PART 3.