
STATUTORY INSTRUMENTS

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).

Earnings condition

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

- (a) if B is not a member of a couple, B does not have earned income exceeding £2,600 over the relevant period;
- (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.

(2) In paragraph (1), “the relevant period” is the period of six months preceding the date of the application for the budgeting advance.

(3) Earned income is to be calculated for the purpose of paragraph (1) by calculating monthly earned income in accordance with Chapter 2 of Part 6 of the Universal Credit Regulations and then multiplying that amount by 6.

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).

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—

- (a) in the name of B or their partner or a person acting on B's behalf; or
- (b) in the joint names of B and their partner, or B and a person acting on B's behalf.