

Statutory Document No. 0139/13



Social Security Contributions and Benefits Act 1992 and Social Security Administration Act 1992

BUDGETING LOANS (AMENDMENT) REGULATIONS 2013

Approved by Tynwald: 18 June 2013
Coming into Operation: 9 July 2013

The Department of Social Care makes the following Regulations under sections 140A(1) and (3), 140C(2) and 175 of the Social Security Contributions and Benefits Act 1992¹ and sections 78A(2) and 189 of the Social Security Administration Act 1992² as those Acts of Parliament have effect in the Island³.

1 Title

These Regulations are the Budgeting Loans (Amendment) Regulations 2013.

2 Commencement

If approved by Tynwald, these Regulations come into operation on 9 July 2013⁴.

3 Amendment of the Income Support and Jobseeker's Allowance (Exceptional Needs Grants and Budgeting Loans) Regulations 2003

- (1) The Income Support and Jobseeker's Allowance (Exceptional Needs Grants and Budgeting Loans) Regulations 2003⁵ are amended as follows.
- (2) In regulation 12⁶ (qualifying conditions for a budgeting loan) after paragraph (3) insert –

 | **■** *The prescribed period condition*

¹ 1992 c.4.

² 1992 c.5.

³ See SDs 505/94 and 506/94.

⁴ As required by section 176 of the Social Security Contributions and Benefits Act 1992 and section 190 of the Social Security Administration Act 1992 as those Acts of Parliament have effect in the Island.

⁵ SD 791/03.

⁶ Regulation 12 amended by SD's 880/04, 829/05, 145/06, 349/10 and 433/11.

(3A) The prescribed period condition is that neither the claimant nor the claimant's partner has been awarded a loan on a date falling in the period of 104 weeks immediately preceding the date of claim.

For the purposes of this paragraph, disregard any loan awarded on a date earlier than 9 July 2013.²²

(3) In regulation 13⁷ (amount of a budgeting loan payable) for "regulation 14 (minimum and maximum amounts of a budgeting loan)" substitute ~~the~~ regulations 14 and 14A (maximum and minimum amounts of budgeting loan)²².

(4) For regulation 14⁸ (minimum and maximum amounts of a budgeting loan) substitute –

~~14~~ 14 Maximum amount of budgeting loan

(1) A loan shall not be awarded to a claimant of an amount more than –

- (a) if the claimant is a single claimant, the lower of £750 and Y;
- (b) if the claimant is a lone parent, the lower of £1,000 and Y;
- (c) if the claimant is a member of a couple neither of whom are responsible for, and living in the same household as, a child or qualifying young person, the lower of £850 and Y;
- (d) if the claimant is a member of a couple either or both of whom are responsible for, and living in the same household as, a child or qualifying young person, the lower of £1,000 and Y.

(2) In paragraph (1) Y is found in accordance with the formula –

$$Y = £1,000 - (2 \times (L + B)).$$

(3) Here –

L is the sum of any other loan or loans –

- (a) awarded to the claimant or the claimant's partner but not repaid at the date of claim; or

⁷ Regulation 13 amended by SD 0612/12.

⁸ Regulation 14 amended by SD's 139/04, 880/04 and 145/06.

- (b) determined as being able to be awarded to the claimant or the claimant's partner but not paid to either of them; and

B is the amount of any benefit which it has been determined under Part 3 of the Administration Act (overpayments and adjustments of benefit) is recoverable from the claimant or the claimant's partner but which has not been recovered at the date of claim.

14A Minimum amount of budgeting loan

- (1) A loan shall not be awarded to a claimant of an amount less than £30.
- (2) But paragraph (1) does not apply in respect of a claim for a loan under regulation 23 (lost cash).⁹
- (5) For regulation 23(2)⁹ (lost cash) substitute –
- (2) If –
- (a) on or after 9 July 2013, a claimant has been awarded a loan under this regulation; and
- (b) the claimant makes a claim for a further loan under this regulation,
- a loan shall not be awarded to the claimant in respect of that claim.¹⁰

4 Amendment of the Budgeting Loans (Recovery by Deductions from Benefits) Regulations 2004

- (1) The Budgeting Loans (Recovery by Deductions from Benefits) Regulations 2004¹⁰ are amended as follows.
- (2) In regulation 2 (interpretation) omit the definitions of “back to work bonus” and “child maintenance bonus”.
- (3) For regulation 3 (benefits from which an award of a budgeting loan may be recovered) substitute –

3 Benefits from which a budgeting loan may be recovered

For the purposes of section 78A(2) of the Administration Act (benefits from which a budgeting loan may be recovered by deduction) the prescribed benefits are–

⁹ Regulation 23(2) amended by SD 880/04.

¹⁰ SD 879/04.

- (a) any benefit under the Contributions and Benefits Act, including any increase for dependants under Part 4 of that Act, other than –
 - (i) attendance allowance, disability living allowance, severe disablement allowance or a guardian’s allowance under Part 3 of that Act; and
 - (ii) child benefit under Part 9 of that Act;
 - (b) a jobseeker’s allowance under the Jobseekers Act 1995¹¹;
 - (c) a pension supplement under the Pension Supplement Scheme 2001¹²; and
 - (d) a retirement pension premium under the Retirement Pension (Premium) Scheme 2002¹³. **22**.
- (4) For regulation 4¹⁴ (limitations on deductions from prescribed benefits) substitute –

22 4 **Limitations on deductions from prescribed benefits**

- (1) The Department may recover an award of a budgeting loan from a person mentioned in section 78A(3) of the Administration Act, by deduction from a benefit prescribed by regulation 3, in accordance with this regulation.
- (2) The amount of £12.50 shall be deducted from –
 - (a) the amount of any such benefit; or
 - (b) the sum of such benefits,
 to which a person is entitled in respect of any week.
- (3) But paragraph (2) shall not operate so as to reduce the amount of any benefit to which a person is entitled in respect of any week to less than 10 pence. **22**.

¹¹ 1995 c.18 (as that Act of Parliament has effect in the Island (see SD 8/96)).

¹² GC 53/01.

¹³ GC 25/02.

¹⁴ Regulation 4 amended by SD 428/06 and 485/09.

MADE 8TH MAY 2013

C R ROBERTSHAW
Minister for Social Care

*EXPLANATORY NOTE**(This note is not part of the Regulations)*

These Regulations amend the Income Support and Jobseeker's Allowance (Exceptional Needs Grants and Budgeting Loans) Regulations 2003¹⁵ ("the Budgeting Loans Regulations") and the Budgeting Loans (Recovery by Deductions from Benefits) Regulations 2004¹⁶ ("the Recovery Regulations").

Regulations 1 and 2 provide the Regulations' citation and commencement.

Regulation 3 amends the Budgeting Loans Regulations and regulation 3(1) introduces the amendments.

Regulation 3(2) inserts new provision restricting the number of budgeting loans a person can have to one in any 2-year period if that person or their partner has been awarded a loan previously, but disregarding any loan awarded before 9 July 2013.

Regulation 3(4) replaces existing regulation 14 of the Budgeting Loans Regulations, which specifies the maximum and minimum amounts of budgeting loans which may be paid, with new regulations 14 and 14A. New regulation 14 provides that the amount of a budgeting loan to be awarded is now subject to different maxima depending on the size of the family of the person applying for the loan. New regulation 14A carries forward existing provision, which specifies that a budgeting loan may not be awarded for less than £30 other than for lost cash. Regulation 3(3) makes consequential amendment.

Regulation 3(5) replaces existing regulation 23(2) of the Budgeting Loans Regulations, which relates to budgeting loans for lost cash. New regulation 23(2) provides that a person may only qualify for a loan for lost cash once in that person's lifetime, rather than once in any 52-week period, for claims on or after 9 July 2013.

Regulation 4 amends the Recovery Regulations and regulation 4(1) introduces the amendments.

Regulation 4(4) replaces existing regulation 4 of the Recovery Regulations. The effect is that a person shall have £12.50 per week deducted from any benefits they are receiving (but not so as to reduce the amount of any benefit to less than 10 pence per week) which are prescribed by regulation 3 of the Recovery Regulations in recovering a budgeting loan. This is regardless of any other deductions being made in recovering debts for housing or fuel costs or National Insurance arrears.

Regulation 4(3) replaces existing regulation 3 of the Recovery Regulations consequent on the discontinuation of certain benefits and regulation 4(2) omits certain definitions appearing in the Recovery Regulations for the same reason.

¹⁵ SD 791/03.

¹⁶ SD 879/04.