STATUTORY INSTRUMENTS

2017 No. 338

INCOME TAX

The Taxation of Northern Ireland Welfare Supplementary Payments Regulations 2017

Made - - - -	*9th March 2017*
Laid before the House of Commons - - - -	*10th March 2017*
Coming into force - -	*1st April 2017*

The Treasury in exercise of the powers conferred by section 44 of the Finance Act 2016(**1**), make the following Regulations.

Citation, commencement and effect

1. These Regulations may be cited as the Taxation of Northern Ireland Welfare Supplementary Payments Regulations 2017 and come into force on 1st April 2017.

2. These Regulations have effect for the tax year 2016-17 and subsequent tax years.

Amendments to the Income Tax (Earnings and Pensions) Act 2003

3. The Income Tax (Earnings and Pensions) Act 2003(**2**) is amended as follows.

4. In Section 658 (amount charged to tax)(**3**), in subsection (4), for "and income support" substitute "income support, welfare supplementary payments payable pursuant to the loss of contributory employment and support allowance and welfare supplementary payments payable pursuant to the loss of, or a reduction in the amount payable of, income support".

5. In Section 660 (taxable benefits: UK benefits - Table A)(**4**), in subsection (1), at the appropriate place insert—

(**1**) 2016 c. 24.
(**2**) 2003 c. 1.
(**3**) Section 658 was amended by paragraph 24 of Schedule 3 to the Welfare Reform Act 2007 (c. 5) ("WRA 2007").
(**4**) Section 660 was amended by paragraph 60 of Schedule 1 and paragraph 1 of Schedule 2 to the Work and Families Act 2006 (c. 18), paragraph 24 of Schedule 3 to WRA 2007, paragraph 62 of Schedule 7 to the Children and Families Act 2014 (c. 6) and regulation 16 of S.I. 2013/630.

"Welfare supplementary payment payable pursuant to the loss of carer's allowance	WSP(LCP)R(NI) 2016	Regulation 4
Welfare supplementary payment payable pursuant to the loss of contributory employment and support allowance	WSPR(NI) 2016	Regulation 7
Welfare supplementary payment payable pursuant to the loss of, or a reduction of the amount payable of, income support	WSP(LCP)R(NI) 2016	Regulation 8 (when the recipient is entitled to the payment by meeting the condition in regulation 8(2)(c)) or regulation 12
	WSP(LDRP)R(NI) 2016	Regulation 4, 5 or 6
Welfare supplementary payment payable pursuant to a reduction of the amount payable of jobseekers allowance	WSP(LCP)R(NI) 2016	Regulation 8 (when the recipient is entitled to the payment by meeting the condition in regulation 8(2)(a))
	WSP(LDRP)R(NI) 2016	Regulation 11, 12, 13, 14 or 15".

6. In Section 661 (taxable social security income)(**5**), in subsection (1)—

(a) after "incapacity benefit" omit "and", and

(b) after "income support" insert—

"welfare supplementary payments payable pursuant to the loss of contributory employment and support allowance, and

welfare supplementary payments payable pursuant to the loss of, or a reduction of the amount payable of, income support.".

7. In the cross-heading before section 665 after "Income support" insert "and relevant welfare supplementary payments".

8.—(1) Section 665 (exempt unless payable to member of couple involved in trade dispute)(**6**) is amended as follows.

(2) For the heading substitute "Exempt unless payable to a person involved in a trade dispute".

(3) After subsection (2) insert—

"(3) No liability to income tax arises on a relevant welfare supplementary payment unless the whole or part of the payment relates to a period in which the claimant was prevented from being entitled to jobseeker's allowance by–

(a) section 14 of the Jobseekers Act 1995 (trade disputes), or

(b) Article 16 of the Jobseekers (Northern Ireland) Order 1995 (trade disputes)

or would have been so prevented if otherwise entitled to that benefit.

(**5**) Section 661 was amended by paragraph 24 of Schedule 3 to WRA 2007.
(**6**) Section 665 was amended by regulation 163 of S.I. 2005/3229.

(4) Where part of a relevant welfare supplementary payment relates to such a period no liability to income tax arises on the part that does not relate to such a period.".

9.—(1) Section 667 (amounts in excess of taxable maximum) is amended as follows.

(2) In subsection (1) after "income support" insert "and relevant welfare supplementary payments".

(3) For subsection (2) substitute—

"(2) The claimant's taxable maximum for a period is determined–

(a) under section 668(1), (2) and (3) where the claimant is a member of a couple, and

(b) under section 668(2A) and (3) where the claimant is not a member of a couple.".

10. In Section 668 (taxable maximum), after subsection (2) insert—

"(2A) A claimant's taxable maximum for a week is determined under this subsection if the claimant is not a member of a couple.

The taxable maximum is equal to the applicable amount.".

11. In Section 669 (interpretation)(**7**), before subsection (1) insert—

"(A1) In sections 665 and 667 "relevant welfare supplementary payment" means a payment to which a person is entitled under–

(a) regulation 8 (when the recipient is entitled to the payment by meeting the condition in regulation 8(2)(c)) or regulation 12 of WSP(LCP)R(NI) 2016, or

(b) regulation 4 , 5 or 6 of WSP(LDRP)R(NI) 2016.".

12. In the cross-heading before section 670 after "Jobseeker's allowance" insert "and relevant welfare supplementary payments".

13. In Section 671 (amounts in excess of taxable maximum), in subsection (1), after "jobseeker's allowance" insert "and relevant welfare supplementary payments".

14. In Section 675 (interpretation)(**8**), before subsection (1) insert—

"(A1) In section 671 "relevant welfare supplementary payments" means payments to which a person is entitled under–

(a) regulation 8 (when the recipient is entitled to the payment by meeting the condition in regulation 8(2)(a)) of WSP(LCP)R(NI) 2016, or

(b) regulation 11, 12, 13, 14 or 15 of WSP(LDRP)R(NI) 2016.".

15. In Section 677 (UK social security benefits wholly exempt from tax: Table B)(**9**), in subsection (1)—

(a) after "benefits payable under primary legislation" insert "and Northern Ireland welfare supplementary payments", and

(b) in Table B – Part 1 at the appropriate place insert—

"Welfare supplementary payment payable pursuant	HB(WSP)R(NI) 2017	Regulation 2

(**7**) Section 669 was amended by regulation 164 of S.I. 2005/3229.

(**8**) Section 675 was amended by regulation 167 of S.I. 2005/3229 and regulation 16 of S.I. 2013/630.

(**9**) Section 677 was amended by Schedule 42 to the Finance Act 2004 (c. 12), paragraph 24 of Schedule 3 to WRA 2007, section 46 of the Finance Act 2008 (c. 9) ("FA 2008"), section 138 of the Health and Social Care Act 2008 (c. 14), paragraph 49 of Schedule 9 to the Welfare Reform Act 2012 (c. 5) ("WRA 2012"), section 13 of the Finance Act 2013 (c. 29) and regulation 3 of S.I. 2014/606.