STATUTORY INSTRUMENTS

2016 No. 233

SOCIAL SECURITY

The Social Security (Scottish Rate of Income Tax etc.) (Amendment) Regulations 2016

Made - - - -	*25th February 2016*
Laid before Parliament	*2nd March 2016*
Coming into force - -	*6th April 2016*

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 123(1)(a) and (d), 136(3), (4) and (5)(a), 137(1) and 175(3) of the Social Security Contributions and Benefits Act 1992(**1**), sections 12(1), (2), (3) and (4)(a), 35(1) and 36(2) of the Jobseekers Act 1995(**2**) and sections 17(1), (2) and (3)(a), 24(1) and 25(3) of the Welfare Reform Act 2007(**3**).

In accordance with section 173(1)(b) of the Social Security Administration Act 1992(**4**), the Social Security Advisory Committee has agreed that proposals in respect of these Regulations should not be referred to it.

In accordance with section 176(1) of the Social Security Administration Act 1992(**5**) the Secretary of State has consulted with organisations appearing to him to be representative of the authorities concerned.

Citation and commencement

1. These Regulations may be cited as the Social Security (Scottish Rate of Income Tax etc.) (Amendment) Regulations 2016 and come into force on 6th April 2016.

Amendments to the Income Support (General) Regulations 1987

2.—(1) The Income Support (General) Regulations 1987(**6**) are amended as follows.

(**1**) 1992 c. 4. . Section 137(1) is cited for the meaning of "prescribed".
(**2**) 1995 c. 18. Section 35(1) is cited for the meaning of "prescribed" and "regulations".
(**3**) 2007 c. 5. Section 24(1) is cited for the meaning of "prescribed" and "regulations".
(**4**) 1992 c. 5.
(**5**) Section 176(1) was amended by paragraph 23 of Schedule 9 to the Local Government Finance Act 1992 (c. 14), paragraph 3(4) of Schedule 13 to the Housing Act 1996 (c. 52) and section 69(6) of the Child Support, Pensions and Social Security Act 2000 (c. 19).
(**6**) S.I. 1987/1967; relevant amending instruments are: S.I. 1992/2155, 1994/2139, 1998/1174, 2007/1749, 2007/2618 and 2009/583.

(2) In regulation 2(1) (interpretation) after the definition of "remunerative work" insert—

""Scottish basic rate" means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007(**7**);

"Scottish taxpayer" has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998(**8**);".

(3) In regulation 39(1) (deduction of tax and contributions for self-employed earners)—

(a) after "basic rate" in the first place it appears insert ", or in the case of a Scottish taxpayer, the Scottish basic rate,";

(b) for "personal allowance to which the claimant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988 (personal allowance) as is" substitute "personal reliefs to which the claimant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007(**9**) as are";

(c) after "basic rate" in the second place it appears insert ", or the Scottish basic rate,"; and

(d) for "personal allowance" in the second place it appears substitute "personal reliefs".

(4) In regulation 39D (deduction in respect of tax for participants in the self-employment route)—

(a) for paragraph (1)(b) substitute—

"(b) the personal reliefs applicable to the person receiving assistance under the self-employment route under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 are allowable against that income;";

(b) in paragraph (1)(c)—

(i) for "relief" substitute "reliefs"; and

(ii) after "basic rate" insert ", or in the case of a Scottish taxpayer, the Scottish basic rate,"; and

(c) in paragraph (2)—

(i) after "basic rate" insert ", or the Scottish basic rate,"; and

(ii) for "personal allowance" substitute "personal reliefs".

(5) In regulation 42(8)(a) (notional income)—

(a) after "basic rate" in the first place it appears insert ", or in the case of a Scottish taxpayer, the Scottish basic rate,";

(b) for "personal allowance to which the claimant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988 (personal allowance) as is" substitute "personal reliefs to which the claimant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are";

(c) after "basic rate" in the second place it appears insert ", or the Scottish basic rate,"; and

(d) for "personal allowance" in the second place it appears substitute "personal reliefs".

Amendments to the Jobseeker's Allowance Regulations 1996

3.—(1) The Jobseeker's Allowance Regulations 1996(**10**) are amended as follows.

(2) In regulation 1(3) (interpretation) after the definition of "sandwich course" insert—

(**7**) 2007 c. 3. Section 6A was inserted by paragraph 3 of Schedule 38 to the Finance Act 2014 (c. 26).
(**8**) 1998 c. 46. Part 4A, sections 80A and 80B, were inserted by section 23(2) of the Scotland Act 2012 (c. 11) and sections 80C to 80H were inserted by section 25(3) of that Act.
(**9**) 2007 c. 3. Chapter 3A was inserted by section 11(2) of the Finance Act 2014 (c. 26).
(**10**) S.I. 1996/207; relevant amending instruments are: S.I. 1998/1174, 2007/1749, 2007/2618, 2009/583 and 2013/2536.

""Scottish basic rate" means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;

"Scottish taxpayer" has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998;".

(3) In regulation 102 (deduction of tax and contributions for self-employed earners)—

(a) for paragraph (1)(b) substitute—

"(b) as if that income were assessable to income tax at the basic rate, or in the case of a Scottish taxpayer, the Scottish basic rate, of tax less only the personal reliefs to which the claimant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are appropriate to their circumstances."; and

(b) in paragraph (2)—

(i) after "basic rate" insert ", or the Scottish basic rate,"; and

(ii) for "personal allowance deductible under paragraph (1) is" substitute "personal reliefs deductible under paragraph (1) are".

(4) In regulation 102D (deduction in respect of tax for participants in the self-employment route)—

(a) for paragraph (1)(b) and (c) substitute—

"(b) the personal reliefs applicable to the person receiving assistance under the self-employment route under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 are allowable against that income; and

(c) the rate at which the chargeable income less the personal reliefs is assessable to income tax is the basic rate, or in the case of a Scottish taxpayer, the Scottish basic rate, of tax."; and

(b) in paragraph (2)—

(i) after "basic rate" insert ", or the Scottish basic rate,"; and

(ii) for "personal allowance" substitute "personal reliefs".

(5) In regulation 105(15)(a) (notional income)—

(a) after "basic rate" in the first place it appears insert ", or in the case of a Scottish taxpayer, the Scottish basic rate,";

(b) for "personal allowance to which the claimant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988 (personal allowance) as is" substitute "personal reliefs to which the claimant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are";

(c) after "basic rate" in the second place it appears insert ", or the Scottish basic rate,"; and

(d) for "personal allowance" in the second place it appears substitute "personal reliefs".

(6) In regulation 163(4) (calculation of earnings – share fishermen)—

(a) after sub-paragraph (b) insert—

"(ba) in paragraph (3) for "Subject to paragraph (4), the" substitute "The";"; and

(b) in sub-paragraph (d), (in the inserted paragraph (6)),—

(i) after "basic rate" insert ", or the Scottish basic rate,"; and

(ii) for "relief" substitute "reliefs".

Amendments to the Housing Benefit Regulations 2006

4.—(1) The Housing Benefit Regulations 2006(**11**) are amended as follows.

(2) In regulation 2(1) (interpretation) after the definition of "Rent Officers Order" insert—

""Scottish basic rate" means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;

"Scottish taxpayer" has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998;".

(3) In regulation 34 (disregard of changes in tax, contributions etc.)—

(a) after paragraph (a) insert—

"(aa) in the Scottish basic or other rates of income tax;"; and

(b) in paragraph (b) for "relief" substitute "reliefs under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007".

(4) In regulations 36(6)(a) (calculation of net earnings of employed earners), 39(1) (deduction of tax and contributions of self-employed earners) and 42(12)(a) (notional income)—

(a) after "basic rate" in the first place it appears insert ", or in the case of a Scottish taxpayer, the Scottish basic rate,";

(b) for "personal relief to which the claimant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is" substitute "personal reliefs to which the claimant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are";

(c) after "basic rate" in the second place it appears insert ", or the Scottish basic rate,"; and

(d) for "relief" in the second place it appears substitute "reliefs".

Amendments to the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006

5.—(1) The Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006(**12**) are amended as follows.

(2) In regulation 2(1) (interpretation) after the definition of "savings credit" insert—

""Scottish basic rate" means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;

"Scottish taxpayer" has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998;".

(3) In regulation 34 (disregard of changes in tax, contributions etc.)—

(a) after paragraph (a) insert—

"(aa) in the Scottish basic or other rates of income tax;"; and

(b) in paragraph (b) for "relief" substitute "reliefs under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007".

(4) In regulation 36(5)(a) (calculation of net earnings of employed earners)—

(a) after "basic rate" in the first place it appears insert ", or in the case of a Scottish taxpayer, the Scottish basic rate,";

(**11**) S.I. 2006/213; relevant amending instruments are S.I. 2007/2618 and 2009/583.
(**12**) S.I. 2006/214; relevant amending instruments are S.I. 2007/2618 and 2009/583.