

PART 7

SOCIAL SECURITY BENEFITS

CHAPTER 1

JOBSEEKER'S ALLOWANCE: NORMAL CASES

- 81 Interpretation of Chapters 1 and 2
- 81A Application to claimants
- 82 Application of other regulations
- 84 Obtaining the claimant's Form P45
- 84A Deductions working sheet for all claimants to taxable jobseeker's allowance
- 84B Form P45: deductions working sheet and return
- 84C No Form P45: deductions working sheet and return
- 85 Claimant's code etc to be used for calculations
- 87 Recording the amount of taxable jobseeker's allowance
- 88 End of year
- 89 When a claim ceases
- 89A Cessation of claim: Form P45U
- 90 Notification of taxable jobseeker's allowance adjustment
- 91 Tax calculation
- 91A No tax calculation required in certain cases
- 92 Death of claimant
- 93 Finance

CHAPTER 2

JOBSEEKER'S ALLOWANCE: SPECIAL CASES

- 94 Application to Chapter 2 claimants
- 95 Jobseeker's allowance paid directly to claimant
- 96 Jobseeker's allowance paid by employer
- 96A Regulation 96 cases: application of other regulations
- 97 When a Chapter 2 claim ceases
- 97A Information to be supplied at end of year
- 97B Information to be supplied when claim to taxable jobseeker's allowance ceases
- 98 Adjustments of taxable jobseeker's allowance

CHAPTER 3

INCAPACITY BENEFIT

- 98A Interpretation of Chapter 3
- 98B Application of other regulations
- 98C Emergency IB code to be applied before claimant's code issued
- 98D Return in respect of all claimants to taxable incapacity benefit
- 98DD Further return only required in certain cases
- 98E Delivery of Form P45 to Department
- 98F Determination of claimant's code by [Inland Revenue]

CHAPTER 4 INCOME SUPPORT

- 99A Interpretation of Chapter 4
- 99B Recording the amount of taxable income support
- 99C Information to be supplied when claim to taxable income support ceases
- 99D Adjustments of taxable income support

CHAPTER 1 JOBSEEKER'S ALLOWANCE: NORMAL CASES

Interpretation of Chapters 1 and 2 81, 83(1), 94

81 In Chapters 1 and 2—

“claim” means a claim to jobseeker’s allowance;

“claimant” means a person who has made a claim, or who is treated for the purposes of the JSA Regulations as having made a claim;

“Chapter 2 claimant” means—

(a) a claimant [whose entitlement to jobseeker’s allowance depends on] regulation 17 of the JSA Regulations (laid off and short time workers); or

(b) a claimant who is a share fisherman within the meaning of regulation 156 of the JSA Regulations;

“Department” means the Department for Work and Pensions or, in Northern Ireland, the Department for Social Development;

“JSA Regulations” means the Jobseekers Allowance Regulations 1996 or, in Northern Ireland, the Jobseekers Allowance Regulations (Northern Ireland) 1996;

“jobseeker’s allowance” means benefit payable under—

(a) the Jobseeker’s Act 1995, or

(b) in Northern Ireland, the Jobseeker’s (Northern Ireland) Order 1995;

“taxable jobseeker’s allowance” means any amount of jobseeker’s allowance which is chargeable to income tax under [Chapter 2 of Part 11 of the Income Tax (Earnings and Pensions) Act 2003].

Application to claimants new

81A This Chapter applies to claimants who are not Chapter 2 claimants.

Application of other regulations 82, 83(3), 85(1)

82—(1) The following regulations apply to payments of taxable jobseeker’s allowance made to a claimant with any modifications indicated in the third column of the table:

Regulation	Subject	Modifications
2	Definitions	
3	Multiple PAYE schemes	
6(1)(2)	Deduction and repayment of tax under employee's code	See paragraph (2)(a) below
6(3)	Electronic transmission of codes	In subparagraph (c) omit the words before "it is delivered".
8	Code applicable where code not issued or received	
7	Determination of appropriate code by [Inland Revenue]	
9	Special codes	See paragraph (2)(a) below
10	Notice to employee of code	
11	Objections and appeals against code	
11A	Appeals: supplementary provision	
12	Amendment of code	
13	Notice to employer of amended code	
55	Inspection of employer's PAYE records	
80	Succession to a business	
99	Assessment	
101	Repayment of overpayments and recovery of underpayment	
101A	Repayment and recovery: self-assessment	
102	Provisions for direct collection – general	
109	Service by post	

(2) In the application of those regulations—

(a) any reference to the deduction or repayment of tax is to be taken to refer to the tax calculation which the Department is required to make at the end of the tax year or on the cessation of a claim (by virtue of regulations 88(1)(a) and 89(2) respectively); and

(b) the following expressions are to be interpreted as shown in the following table:

Expression	Meaning for purposes of this Chapter
[emoluments]	taxable jobseeker's allowance
[employee]	claimant
[employer]	Department
[employment]	claim

Obtaining the claimant's Form P45 84(1)(2)(8)

84—(1) A claimant who has Parts 2 and 3 of Form P45 must deliver them to the Department on making a claim to taxable jobseeker's allowance.

(2) If the claimant declares, on making a claim, that the claimant's last employer did not provide Parts 2 and 3 of Form P45, the Department may require the employer to deliver them to a specified office of the Department within 14 days.

Deductions working sheet for all claimants to taxable jobseeker's allowance 84(3)

84A—(1) The Department must prepare a deductions working sheet in respect of each claimant to taxable jobseeker's allowance in the form provided or authorised by the Board.

(2) If the Department obtains Parts 2 and 3 of Form P45 relating to a claimant it must immediately prepare the deductions working sheet [using] the information on the Form P45 in accordance with regulation 84B.

(3) If the Department does not obtain Parts 2 and 3 of Form P45 relating to a claimant it must prepare the deductions working sheet in accordance with regulation 84C.

Form P45: deductions working sheet and return 84(3),(5)-(7)

84B—(1) If the Form P45 relates to the current tax year the Department must record on the working sheet the cumulative emoluments shown on the Form P45.

(2) If the Form P45 [relates to the current tax year and] shows that the cumulative basis has been applied, the Department must also record the following information on the deductions working sheet or keep such records as enable its production.

(3) That information is—

(a) if the code shown on the Form P45 is a "K" code—

(i) the cumulative additional pay,

(ii) the cumulative taxable emoluments, and

(iii) the lower of the cumulative tax as at the week or month shown on the Form P45 or the total net tax deducted shown on it; and

(b) in any other case—

(i) the cumulative free emoluments,

(ii) the cumulative taxable emoluments, and

(iii) the corresponding cumulative tax as at the week or month shown on the Form P45.

(4) If—

(a) the claim is made [by 24th May] in a tax year, and

(b) the Form P45 shows that the last payment of [emoluments] was in the preceding [tax] year,

the Department must comply with paragraphs (1) to (3), but without recording the cumulative emoluments or total net tax deducted (if any) shown on the Form P45.

(5) In the cases falling within paragraphs (1) and (4), the code shown on the Form P45 is to be treated as the claimant's code for the purposes of these Regulations.

(6) If, in a case not falling within paragraph (4), the Form P45 shows that the last payment of [emoluments] was in a tax year preceding that in which the claim was made, the Department—

(a) must comply with paragraphs (1) [to (3)], but without recording the cumulative emoluments or total net tax deducted (if any) shown on the Form P45, and

(b) must record the emergency code as the claimant's code.

(7) The Department must supply the information recorded under [this regulation] to the [Inland Revenue], in such form as the Board may provide, together with such further information as may be required for the purposes of these Regulations.

No Form P45: deductions working sheet and return 84(9)-(10)

84C—(1) In a case falling within regulation 84A(3) (no Form P45), the Department must prepare the deductions working sheet within 14 days of the claim for taxable jobseeker's allowance being made, and record the emergency code as the claimant's code.

(2) The Department must deliver a return to the [Inland Revenue], giving—

(a) the claimant's name and address,

(b) the claimant's national insurance number,

(c) the claimant's date of birth,

(d) the date on which the claim started,

(e) the reference number of the [benefit office submitting the return].

(3) But the return need not be delivered if the claimant certifies, in a form provided by the Board, that the claimant—

(a) is undergoing a course of full-time education and has not had regular employment since [the previous] 6th April, or

(b) has not had regular employment since finishing full-time education.

Claimant's code etc to be used for calculations 85(2)

85 If, in respect of a claimant, the Department receives notification from the [Inland Revenue] of—

(a) a code or amended code,

(b) cumulative emoluments, or

(c) total net tax deducted,

the Department must record that notification in substitution for any previous record and use it for the purpose of all calculations required under this Chapter.

Recording the amount of taxable jobseeker's allowance 87

87 Whenever a payment of jobseeker's allowance is made, the Department must record the taxable jobseeker's allowance included in the payment.

End of year 88

88—(1) Not later than 31st May following the end of a tax year, the Department, in respect of each claimant to taxable jobseeker's allowance [whose claim has not been terminated during that year], must—

- (a) make a tax calculation in accordance with regulation 91 if the claimant's code is operated on the cumulative basis;
- (b) subject to paragraph (2), issue a certificate to the claimant; and
- (c) deliver a return to the [Inland Revenue].

(2) The Department need not issue the certificate if—

- (a) no taxable jobseeker's allowance has been paid, and
- (b) a tax calculation in accordance with regulation 91 is not required.

(3) The certificate is to be in a form [provided or authorised by] the Board, and is to show—

- (a) the [tax] year to which it relates,
- (b) the total jobseeker's allowance for the year excluding any amounts previously notified under regulation 89A(2) or 90(2),
- (c) the taxable jobseeker's allowance included in the total jobseeker's allowance,
- (d) the claimant's code,
- (e) the claimant's national insurance number,
- (f) the claimant's name and address,
- (g) any previous emoluments and any tax deducted from those emoluments which the Department was required to take into account under regulation 91,
- (h) the total emoluments for the year and the corresponding total net tax deducted, and
- (i) the amount of tax refunded by the Department.

(4) The return is to be in a form [provided or authorised by] the Board, and is to show—

- (a) the particulars specified in paragraph (3), and
- (b) if a calculation is required under regulation 91, any amount of tax outstanding.

When a claim ceases new, 89(2)(a),(3), (4)

89—(1) For the purposes of these Regulations a claim ceases when entitlement to jobseeker's allowance ceases.

(2) When a claim to taxable jobseeker's allowance ceases the Department must make a tax calculation in accordance with regulation 91 if the claimant's code is operated on the cumulative basis.

(3) For the purpose of that calculation, the date on which the claim ceases is the last day for which benefit was claimed, and if paid was not recoverable, except that if that last day is 4th or 5th April the date is the preceding 3rd April.

(4) But the Department need not amend a tax calculation solely because the date used for the purposes of that calculation is subsequently shown to be incorrect.

Cessation of claim: Form P45U 89(2)(b),(c), new

89A—(1) When a claim to taxable jobseeker's allowance ceases the Department must immediately comply with paragraphs (2) to (5).

(2) The Department must send the following information to the [Inland Revenue] on Part 1 of Form P45U—

- (a) the tax reference and, if known, the [Inland Revenue office],
- (b) the claimant's national insurance number,
- (c) the claimant's name,
- (d) the date on which the claim ceased,
- (e) the claimant's code or, if more than one, the latest code for the tax year during which the claim ceased,
- (f) whether the claimant's code is operated on a non-cumulative basis,
- (g) the tax week or month in which the claim ceased,
- (h) if the claimant's code is operated on a cumulative basis—
 - (i) the cumulative emoluments (including taxable jobseeker's allowance) at the date the claim ceased, and
 - (ii) the corresponding total net tax deducted,
- (j) the taxable jobseeker's allowance paid during [the tax year by virtue of the claim in question]—
 - (i) if the claimant's code is operated on the non-cumulative basis, or
 - (ii) if the claimant's code is operated on the cumulative basis and the amount is different from the amount shown under subparagraph [(h)(i)],
- (k) if the claimant's code is operated on a cumulative basis, any amount of tax [outstanding],
- (l) whether the claimant was self-employed immediately before the start of the claim,
- (m) whether the claimant is in receipt of a pension by reason of a former employment,
- (n) the claimant's home address,
- (o) the [address of the benefit officer], and
- (p) the date the form was completed.

(3) The Department must provide the claimant with the information listed in paragraph (2)(a) to (j), (o) and (p) on Part 1A of Form P45U.

(4) The Department must provide the claimant with the information listed in paragraph (2)(a) to (h) on Parts 2 and 3 of Form P45.

- (5) The Department must also give notice to the claimant of—
- (a) the total jobseeker’s allowance for the year excluding any sums previously notified under this regulation, regulation 90 or 97, and
 - (b) the taxable jobseeker’s allowance included in that total.
- (6) For the purposes of paragraph (4), references on Parts 2 and 3 of the Form P45 are to be construed as follows—
- (a) for “employee” read “claimant”,
 - (b) for “leaving date” read “date the claim ceased”, and
 - (c) for “pay” read “jobseeker’s allowance”.

Notification of taxable jobseeker’s allowance adjustment 90, 88(3)

- 90—(1) Paragraph (2) applies if—
- (a) after a certificate under regulation 88(1)(b) has been issued (or would have been issued but for regulation 88(2)), or
 - (b) after a notice has been issued under regulation [89A(5)] or this regulation,
- further taxable jobseeker’s allowance is paid or taxable jobseeker’s allowance overpaid is [recovered from] the claimant.
- (2) The Department must—
- (a) give notice to the claimant of the revised figure of total jobseeker’s allowance and the taxable jobseeker’s allowance included in that revised figure in accordance with the relevant regulation; and
 - (b) notify the [Inland Revenue] of the sums paid or refunded, in such form as the Board may provide.

Tax calculation 91(1)-(3), (6)

- 91—(1) [Subject to regulation 91A], this regulation applies if the Department is required by regulation 88 or 89 to make a tax calculation.
- (2) The Department must [calculate] in respect of the claimant as at the relevant date—
- (a) the cumulative emoluments, and
 - (b) the claimant’s total tax.
- (3) If CT exceeds the claimant’s total tax, the Department must repay the excess to the claimant.
- (4) But if CT is less than the claimant’s total tax—
- (a) the difference is tax outstanding for the purposes of regulation [88(4)(b) or 89A(2)(k)], and
 - (b) the Department [must treat the claimant’s code as issued by the [Inland Revenue] on the non-cumulative basis from the relevant date].
- (5) In this regulation—
- “CT” means the cumulative tax or (as the case may be) the total net tax deducted which was recorded on the working sheet in accordance with regulation 84B(3) at the start of the claim;

“cumulative emoluments” are any cumulative emoluments recorded by the Department in accordance with regulation 84B(1), plus the total taxable jobseeker’s allowance;

“relevant date” means—

- (a) the end of the [tax] year, if the calculation is required by regulation 88;
- (b) the date used for the purposes of the calculation, if the calculation is required by regulation 89;

“the claimant’s total tax” means—

- (a) if the claimant’s code is a “K” code, the lesser of
 - (i) 50% of the claimant’s cumulative emoluments, and
 - (ii) the tax due in accordance with the appropriate tax tables in respect of the claimant’s cumulative taxable emoluments at the relevant date;
- (b) in any other case, the tax due in accordance with the appropriate tax tables in respect of the claimant’s cumulative taxable emoluments at the relevant date.

No tax calculation required in certain cases 91(4), (5)

91A—(1) The [Inland Revenue] is deemed to have made a direction that the claimant’s code is to be operated on the non-cumulative basis in any of the following cases and, accordingly, no tax calculation under regulation 91 is to be made in such a case.

(2) The cases are if—

- (a) the claimant does not give the Department Parts 2 and 3 of Form P45, and does not certify in accordance with regulation 84C(3);
- (b) the claimant gives the Department Parts 2 and 3 of the Form P45, but they do not relate to the claimant’s last employment or claim before the present claim, whichever is later, or
- (c) the claimant is in receipt of a pension in respect of a former employment,
- (d) it appears to the Department on the occasion of a claim that a previous claim should have been treated as having ceased in accordance with regulation 89, or
- (e) the claimant’s code is a nil tax code, basic rate code or higher rate code.

(3) Paragraph (1) is subject to regulation 85.

Death of claimant 92

92—(1) [On being informed of the death of a claimant to taxable jobseeker’s allowance,] the Department must send the [Inland Revenue] the completed Form P45U indicating on Part 1 that the claimant has died.

(2) If the Department knows the name and address of the claimant’s personal representative, the Department must send the notice referred to in regulation 89A(5) to the personal representative.

(3) But if the Department has not been notified of the name and address of the claimant's personal representative within 30 days of the claimant's death, the Department is not required—

- (a) to make a tax calculation under regulation 91, nor
- (b) to issue the notice under regulation 89A(5).

Finance 93

93—(1) The Board must advance monies to the National Insurance Funds of Great Britain and Northern Ireland at intervals to be agreed with the Department for use in making repayments of income tax under these Regulations.

(2) The Department must provide the Board with a quarterly statement of receipts and payments in such form as the Board may require.

CHAPTER 2 JOBSEEKER'S ALLOWANCE: SPECIAL CASES

Application to Chapter 2 claimants new

94—(1) This Chapter applies to Chapter 2 claimants only.

(2) Except for regulation 81 (interpretation), Chapter 1 does not apply to Chapter 2 claimants.

Jobseeker's allowance paid directly to claimant 95

95 If the Department pays taxable jobseeker's allowance directly to a Chapter 2 claimant, it must—

- (a) record the amount, and
- (b) pay the full sum without any deduction or repayment of income tax.

Jobseeker's allowance paid by employer 96(1)-(3)

96—(1) If jobseeker's allowance is paid to a Chapter 2 claimant by the claimant's employer on behalf of the Department and the employer calculates the jobseeker's allowance payable by reference to instructions supplied by the Department, the employer must also calculate the taxable jobseeker's allowance in accordance with those instructions.

(2) If jobseeker's allowance is paid to a Chapter 2 claimant by the claimant's employer on behalf of the Department and paragraph (1) does not apply, the Department must notify the employer of the amount of jobseeker's allowance and of taxable jobseeker's allowance.

(3) If the employer has undertaken to pay jobseeker's allowance on behalf of the Department, the Department must pay the full amount of benefit to the employer without any deduction on account of income tax.

Regulation 96 cases: application of other regulations 96(4)(5), new

96A—(1) Subject to paragraph (3), Parts 3 to 5 apply to the taxable jobseeker's allowance paid to a Chapter 2 claimant by the employer on behalf of the Department under regulation 96, as if it were a payment of [emoluments] from the employment.

(2) Regulations 97A to 98 do not apply if the Chapter 2 claimant's employer has been paying the jobseeker's allowance in accordance with regulation 96 and provides the information in question.

(3) In any case in which it appears to the Board that deduction of tax from the taxable jobseeker's allowance paid by the employer on behalf of the Department by reference to the tax tables is impracticable, the Board may make such other arrangements as are appropriate for the collection of tax in respect of taxable jobseeker's allowance in such cases.

When a Chapter 2 claim ceases 97, new

97 For the purposes of this Chapter, a claim ceases when entitlement to jobseeker's allowance [which depends on] regulation 17 or 156 of the JSA Regulations ceases.

Information to be supplied at end of year new

97A In respect of each claim to taxable jobseeker's allowance [which has not ceased by the end of a tax year], the Department must, not later than 31st May following the end of the tax year, give notice to—

- (a) the [Inland Revenue], and
- (b) the Chapter 2 claimant,

of the total jobseeker's allowance and taxable jobseeker's allowance paid in respect of the claim during that year.

Information to be supplied when a claim to taxable jobseeker's allowance ceases 97(2), new

97B—(1) When a claim to taxable jobseeker's allowance ceases, the Department must give notice to—

- (a) the [Inland Revenue], and
- (b) except where the Chapter 2 claimant has died, the claimant,

of the total jobseeker's allowance and taxable jobseeker's allowance paid in respect of the claim, showing the amounts appropriate to the claim for the year in which it ceased.

(2) If the Department has been notified of the name and address of a deceased claimant's personal representative within 30 days of the claimant's death, the Department must send the notice referred to in paragraph (1) to the personal representative.

Adjustments of taxable jobseeker's allowance 98

98—(1) Paragraph (2) applies if, after the issue of a notice under regulation 97A or 97B(1), further taxable jobseeker's allowance is paid to, or [taxable] jobseeker's allowance overpaid is [recovered from], the Chapter 2 claimant.

(2) The Department must—

- (a) notify the Chapter 2 claimant of the revised figure of total jobseeker's allowance and taxable jobseeker's allowance included in that revised figure, and
- (b) notify the [Inland Revenue] of any adjustment to the figure of taxable jobseeker's allowance,

showing the amounts appropriate to each [tax] year.

CHAPTER 3 INCAPACITY BENEFIT

Interpretation of Chapter 3 81, 98A, 98C(2)

98A In this Chapter—

“claim” means a claim to incapacity benefit;

“claimant” means a person who has made a claim;

“Department” means the Department for Work and Pensions or, in Northern Ireland, the Department for Social Development;

“incapacity benefit” means short-term incapacity benefit or long-term incapacity benefit payable under—

(a) sections 30A(1), 30A(5), 40 or 41 of the Social Security Contributions and Benefits Act 1992, or

(b) in Northern Ireland, section 30A(1), 30A(5), 40 or 41 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992;

“single-income claimant” means a claimant who, for the tax year in question—

(a) is not entitled to receive any payments of [emoluments] in addition to the payments of taxable incapacity benefit, or

(b) is so entitled but has failed to provide any details relating to [those emoluments] when making the claim,

and who is not [a self-employed earner as defined by section 2 of the Social Security Contributions and Benefits Act 1992 or, in Northern Ireland, section 2 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992];

“taxable incapacity benefit” means any amount of incapacity benefit which is chargeable to income tax under [Chapter 2 of Part 11 of the Income Tax (Earnings and Pensions) Act 2003].

Application of other regulations 82, 98B, 98F(5), 98G, 98H

98B—(1) Subject to this Chapter, the following regulations apply to payments of taxable incapacity benefit with any modifications indicated in the third column of the table:

Regulation	Subject	Modifications
2	Definitions	
3	Multiple PAYE schemes	
6	Deduction and repayment of tax under employee's code	In paragraph (1), for "in accordance with these Regulations" substitute "in accordance with Chapter 3 of Part 7"
8	Code applicable where code not issued	
9(2)	Basic rate code	
9(3)	Nil tax code	Omit paragraph (a); for paragraph (c) substitute "(c) considers that the code which would otherwise be the claimant's code would result in [too much tax] being deducted for the year in question."
10	Notice to employee of code	
11	Objections and appeals against code	
11A	Appeals: supplementary provision	
12	Amendment of code	
13	Notice to employer of amended code	
14	Deduction and repayment: cumulative basis	
16(2),(3),(4)	Deductions in accordance with reg. 9	
17	Deductions: non-cumulative basis	
18	Emoluments not paid weekly or monthly	
23	Cessation of employment: Form P45	In paragraph (2), omit subparagraphs (f) and (h)
27(1)	Return on death of employee	
27(3)	Payments after death	For "pension emoluments" substitute "taxable incapacity benefit"; after "the same" add "or a subsequent"; and for the words "still alive" to the end substitute "in receipt of taxable incapacity benefit"

		immediately prior to death”
38	Deductions working sheets	
39	Certificate of tax deducted	
40	Periodic payments to and recoveries from the Revenue	
40A	Quarterly income tax periods	
42A	Recovery from employee of tax not deducted by employer	
43	Annual return of [payments of emoluments] liable to deduction of tax	
44	Annual return of [payments of emoluments] not liable to deduction of tax	
43A	Certificate if tax on reg. 43 return is unpaid	
55A	Certificate after inspection of PAYE records	
54	Recovery of tax and interest	
55	Inspection of employer’s PAYE records	
46ZB	Methods of providing information	
X	Collector’s certificate that sum due	
XX	Payment by cheque	
80	Succession to a business etc	
99	Assessment	
101	Repayment of overpayments and recovery of underpayments	
101A	Repayment and recovery: self-assessment	
102	Provision for direct collection – general	
105	Recovery of tax from	

	employee	
109	Service by post	

(2) In the application of those regulations, the following expressions are to be interpreted as shown in the table:

Expression	Meaning for purposes of this Chapter
[emoluments]	taxable incapacity benefit
[employee]	claimant
[employer]	Department
[employment]	claim
[cease to employ]	[cessation of claim]

Emergency IB code to be applied before claimant’s code issued 98C

98C—(1) Paragraph (2) applies where the Department makes a payment of taxable incapacity benefit during a tax year to a single-income claimant before a code has been [issued] [or is deemed to have been issued] by the [Inland Revenue] for that year in respect of that claim.

(2) The Department must deduct tax applying an emergency IB code on the non-cumulative basis, and keep records on a deductions working sheet which it must prepare for the purpose.

(3) An emergency IB code is a code which, after allowing for—

- (a) the relief specified in section 257(1) of the Taxes Act (personal allowance), and
- (b) the relief specified in section 265(1) of that Act (blind person’s allowance) if claimed by the claimant,

effects deductions of tax at one or both of the starting rate and the basic rate.

(4) The application of an emergency IB code under this regulation is deemed to be the issue of a code for the purposes of regulations 6, 23 and 27.

Return in respect of all claimants to taxable incapacity benefit 98D(1), (2)

98D—(1) When the Department [first] makes a payment of taxable incapacity benefit to a claimant it must immediately deliver a return to the [Inland Revenue] containing the following information.

(2) That information is—

- (a) the claimant’s name,
- (b) the claimant’s address,
- (c) the claimant’s date of birth,

- (d) the claimant's national insurance number,
- (e) the date on which the claimant's entitlement to taxable incapacity benefit commenced,
- (f) the weekly rate of taxable incapacity benefit being paid to the claimant,
- (g) details of any code applied to the payment and whether used on the non-cumulative basis,
- (h) if the payment was preceded by payment of incapacity benefit which was not taxable, the date that benefit was first paid, and
- (i) the claimant's tax reference, if known.

Further return only required in certain cases 98D(3)

98DD—(1) If the Department has delivered a return in accordance with regulation 98D(1), a further return is only required on a subsequent payment of taxable incapacity benefit to the claimant if—

- (a) the [Inland Revenue] has already determined the claimant's code [in relation to the payments of incapacity benefit] to be a nil tax code, and
- (b) the subsequent payment is the first payment to be made at a different rate from the rate subsisting at the time of that determination.

(2) In addition to providing the information listed in regulation 98D(2), the Department must indicate on the further return that the weekly rate of taxable incapacity benefit being paid to the claimant represents a revised amount.

Delivery of Form P45 to Department 98E

98E—(1) This regulation applies if a single-income claimant—

- (a) has Parts 2 and 3 of Form P45, and
- (b) has not made, and does not intend to make, a claim for repayment of tax.

(2) The claimant must deliver Parts 2 and 3 of the Form P45 when making a claim, and the Department must immediately send those Parts to [the Inland Revenue office].

Determination of claimant's code by [Inland Revenue] 98F(1)-(4), new

98F—(1) On receiving a return under regulation 98D relating to a single-income claimant, the [Inland Revenue] must determine the claimant's code.

(2) In relation to a claimant who is not a single-income claimant, the [Inland Revenue] may determine the claimant's code in any case where the [Inland Revenue] considers that it would be impractical to collect tax arising on the taxable incapacity benefit by other means.

(3) In determining a claimant's code, regulation 7 does not apply but the [Inland Revenue] must have regard—

- (a) to each of the following reliefs from income tax—
 - (i) personal allowance (section 257(1) of the Taxes Act),
 - (ii) married couple's allowance (section 257A of that Act), and

- (iii) blind person's allowance (section 265(1) of that Act),
 if the [Inland Revenue] is satisfied the claimant is or will be entitled to it for the year for which the code is determined, and
- (b) where the code is determined before the beginning of the year for which it is to have effect, to any proposed alteration in the rates for that year of those reliefs.

CHAPTER 4

INCOME SUPPORT (new)

Interpretation of Chapter 4

99A In this Chapter—

- “claim” means claim to income support;
 “claimant” means a person who has made a claim;
 “Department” means the Department for Work and Pensions or, in Northern Ireland, the Department for Social Development;
 “income support” means [benefit payable under—
 (a) section 124 of the Social Security Contributions and Benefits Act 1992, or
 (b) in Northern Ireland, section 123 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992;]
 “taxable income support” means any amount of income support which is chargeable to income tax under [Chapter 2 of Part 11 of the Income Tax (Earnings and Pensions) Act 2003].

Recording the amount of taxable income support

99B Whenever the Department makes a payment of taxable income support it must—

- (a) record the amount, and
 (b) pay the full sum without any deduction or repayment of income tax.

Information to be supplied when a claim to [taxable] income support ceases

99C—(1) When a claim to [taxable] income support ceases, the Department must give notice to—

- (a) the [Inland Revenue], and
 (b) except where the claim has died, the claimant,

of the total income support and taxable income support paid in respect of the claim, showing the amounts appropriate to each [tax] year.

(2) In a case where—

- (a) the claimant has died, and
 (b) the Department has been notified of the name and address of the claimant's personal representative within 30 days of the claimant's death,

the Department must send the notice referred to in paragraph (1) to the personal representative.

Adjustments of taxable income support

99D— (1) Paragraph (2) applies if, after the issue of a notice under regulation 99C(1), further taxable income support is paid to, or [taxable] income support overpaid is [recovered from], the claimant.

(2) The Department must—

- (a) notify the claimant of the revised figure of total income support and taxable income support included in that revised figure, and
- (b) notify the [Inland Revenue] of any adjustment to the figure of taxable income support,

showing the amounts appropriate to each [tax] year.
