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STATUTORY INSTRUMENTS

2025 No. 44

SOCIAL SECURITY

The Social Security (Income and Capital Disregards) (Amendment) Regulations 2025

Made - - - -	*17th January 2025*
Laid before Parliament	*20th January 2025*
Coming into force - -	*28th February 2025*

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 123(1)(a) and (d), 130A(2), 135(1), 136(3) and (5), 136A(3) and 175(1), (3) and (4) of the Social Security Contributions and Benefits Act 1992(**a**), section 189(4) of the Social Security Administration Act 1992(**b**), sections 4(5), 12(1) and (4) and 36(1), (2) and (4) of the Jobseekers Act 1995(**c**), section 30(1) of, and paragraph 8 of Schedule 1 to, the Social Security (Recovery of Benefits) Act 1997(**d**), sections 2(3)(b) and 15(3) and (6) of the State Pension Credit Act 2002(**e**), sections 4(2), 17(1) and (3) and 25(1), (2), (3) and (5) of the Welfare Reform Act 2007(**f**) and section 42(1) to (3) of, and paragraph 4(1) and (3) of Schedule 1 to, the Welfare Reform Act 2012(**g**).

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

(**a**) 1992 c. 4. Section 130A was inserted by section 30(2) of the Welfare Reform Act 2007 (c. 5). Section 136A was inserted by paragraph 3 of Schedule 2 to the State Pension Credit Act 2002 (c. 16). Section 175(1), (2) to (5) and (10) is applied in relation to the powers conferred by section 15(3) and (6) of the State Pension Credit Act 2002 by section 19(1) of that Act. See section 137(1) for the definition of "prescribed".
(**b**) 1992 c. 5. Section 189(4) is applied to the provisions of the Social Security (Recovery of Benefits) Act 1997 (c. 27) by section 30(4) of that Act.
(**c**) 1995 c. 18. See section 35(1) for the definitions of "prescribed" and "regulations".
(**d**) 1997 c. 27. See section 29 for the definitions of "prescribed" and "regulations".
(**e**) 2002 c. 16. See section 17(1) for the definitions of "prescribed" and "regulations".
(**f**) 2007 c. 5. Section 4(2) was repealed for certain purposes by Schedule 14 to the Welfare Reform Act 2012 (c. 5). See section 24(1) for the definitions of "prescribed" and "regulations".
(**g**) 2012 c. 5.

In respect of regulations 6 and 7, in accordance with section 176(1)(a) of the Social Security Administration Act 1992(**a**), the Secretary of State has consulted with organisations appearing to the Secretary of State to be representative of the authorities concerned.

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Social Security (Income and Capital Disregards) (Amendment) Regulations 2025 and come into force on 28th February 2025.

(2) These Regulations extend to England and Wales and Scotland.

Amendment of the Income Support (General) Regulations 1987

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

(2) In regulation 2(1) (interpretation)—

(a) after the definition of "last day of the course" insert—

> ""LGBT Financial Recognition Scheme payment" means a payment under the Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme administered under the authority of the Secretary of State for Defence;";

(b) in the definition of "qualifying person" for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

(3) In regulation 42(4ZB) (notional income) for sub-paragraphs (c) and (d) substitute—

> "(c) a Windrush payment;
>
> (d) a Post Office compensation payment;
>
> (e) an LGBT Financial Recognition Scheme payment.".

(4) In regulation 48(10) (income treated as capital) after sub-paragraph (ae) insert—

> "(af) which is an LGBT Financial Recognition Scheme payment;".

(5) In regulation 51(3B) (notional capital) for sub-paragraphs (c) to (e) substitute—

> "(c) a Windrush payment;
>
> (d) a Post Office compensation payment;
>
> (e) a vaccine damage payment;
>
> (f) an LGBT Financial Recognition Scheme payment.".

(6) In Schedule 3 (housing costs), in paragraph 18(8)(b), for "or Post Office compensation payment" substitute ", Post Office compensation payment or LGBT Financial Recognition Scheme payment".

(7) In Schedule 9 (sums to be disregarded in the calculation of income other than earnings), in paragraph 39—

(a) in sub-paragraph (1A) for paragraphs (c) and (d) substitute—

> "(c) Windrush payment;
>
> (d) Post Office compensation payment;

(**a**) Section 176(1)(a) was amended by paragraph 23 of Schedule 9 to the Local Government Finance Act 1992 (c. 14) and was repealed, to the extent that it related to council tax benefit, by Part 1 of Schedule 14 to the Welfare Reform Act 2012 with effect from 1st April 2013 and subject to savings and transitional provisions in articles 9 and 10 of S.I. 2013/358.

(**b**) S.I. 1987/1967; relevant amending instruments are S.I. 1988/2022, 1991/1175, 1992/1101, 1995/1613, 2927, 2000/1981, 2004/1141, 2005/2877, 3391, 2008/2767, 2010/641, 2011/2425, 2017/329, 689, 870, 2020/618, 2021/1405, 2023/640, 1144.

(e) LGBT Financial Recognition Scheme payment.";

(b) in each of sub-paragraphs (2) to (6) for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

(8) In Schedule 10 (capital to be disregarded), in paragraph 22—

(a) in sub-paragraph (1A) for "or vaccine damage payment" substitute ", vaccine damage payment or LGBT Financial Recognition Scheme payment";

(b) in each of sub-paragraphs (2) to (5) and (6) for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

Amendment of the Jobseeker's Allowance Regulations 1996

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

(2) In regulation 1(3) (citation, commencement, interpretation and application)—

(a) after the definition of "last day of the course" insert—

> ""LGBT Financial Recognition Scheme payment" means a payment under the Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme administered under the authority of the Secretary of State for Defence;";

(b) in the definition of "qualifying person" for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

(3) In regulation 105(10A) (notional income) for sub-paragraphs (ac) to (ae) substitute—

"(ac) which is a child abuse payment;

(ad) which is a Windrush payment;

(ae) which is a Post Office compensation payment;

(af) which is an LGBT Financial Recognition Scheme payment;".

(4) In regulation 110(10) (income treated as capital) after sub-paragraph (ae) insert—

"(af) which is an LGBT Financial Recognition Scheme payment;".

(5) In regulation 113(3B) (notional capital) for sub-paragraphs (c) to (e) substitute—

"(c) a Windrush payment;

(d) a Post Office compensation payment;

(e) a vaccine damage payment;

(f) an LGBT Financial Recognition Scheme payment.".

(6) In Schedule 2 (housing costs), in paragraph 17(8)(b), for "or Post Office Compensation payment" substitute ", Post Office compensation payment or LGBT Financial Recognition Scheme payment".

(7) In Schedule 7 (sums to be disregarded in the calculation of income other than earnings), in paragraph 41—

(a) in sub-paragraph (1A), for paragraphs (c) and (d) substitute—

"(c) Windrush payment;

(d) Post Office compensation payment;

(e) LGBT Financial Recognition Scheme payment.";

(**a**) S.I. 1996/207; relevant amending instruments are S.I. 1998/2117, 2004/1141, 2005/2877, 3391, 2008/2767, 2010/641, 2011/2425, 2017/329, 689, 870, 2020/618, 2021/1405, 2023/640, 1144.

(b) in each of sub-paragraphs (2) to (6) for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

(8) In Schedule 8 (capital to be disregarded), in paragraph 27—

(a) in sub-paragraph (1A) for "or vaccine damage payment" substitute ", vaccine damage payment or LGBT Financial Recognition Scheme payment";

(b) in each of sub-paragraphs (2) to (5) and (6) for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

Amendment of the Social Security (Recovery of Benefits) Regulations 1997

4.—(1) The Social Security (Recovery of Benefits) Regulations 1997(**a**) are amended as follows.

(2) In regulation 2(2) (exempted trusts and payments) after sub-paragraph (t) insert—

";

(u) any payment that is made under the Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme administered under the authority of the Secretary of State for Defence.".

Amendment of the State Pension Credit Regulations 2002

5.—(1) The State Pension Credit Regulations 2002(**b**) are amended as follows.

(2) In regulation 1(2) (citation, commencement and interpretation)—

(a) after the definition of "the Independent Living Fund (2006)" insert—

""LGBT Financial Recognition Scheme payment" means a payment under the Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme administered under the authority of the Secretary of State for Defence;";

(b) in the definition of "qualifying person" for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

(3) In Schedule 2 (housing costs), in paragraph 14(8), after paragraph (bd) insert—

"(be) any LGBT Financial Recognition Scheme payment;".

(4) In Schedule 5 (income from capital), in paragraph 15—

(a) in sub-paragraph (1A) for "or vaccine damage payment" substitute ", vaccine damage payment or LGBT Financial Recognition Scheme payment";

(b) in each of sub-paragraphs (2) to (5) and (6) for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

Amendment of the Housing Benefit Regulations 2006

6.—(1) The Housing Benefit Regulations 2006(**c**) are amended as follows.

(2) In regulation 2(1) (interpretation)—

(a) after the definition of "Jobseeker's Allowance Regulations" insert—

(**a**) S.I. 1997/2205; relevant amending instrument is S.I. 2023/640.

(**b**) S.I. 2002/1792; relevant amending instruments are S.I. 2004/1141, 2005/2877, 3391, 2007/2538, 2010/641, 2011/2425, 2017/329, 689, 870, 2020/618, 2021/1405, 2023/640, 1144.

(**c**) S.I. 2006/213; relevant amending instruments are S.I. 2007/2868, 2008/2767, 2010/641, 2011/2425, 2017/329, 689, 870, 2020/618, 2021/1405, 2023/640, 1144.

""LGBT Financial Recognition Scheme payment" means a payment under the Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme administered under the authority of the Secretary of State for Defence;";

(b) in the definition of "qualifying person" for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

(3) In regulation 42(7A) (notional income) for sub-paragraphs (c) and (d) substitute—

"(c) a Windrush payment;

(d) a Post Office compensation payment;

(e) an LGBT Financial Recognition Scheme payment.".

(4) In regulation 46(6) (income treated as capital) after "a Post Office compensation payment" insert ", an LGBT Financial Recognition Scheme payment".

(5) In regulation 49(4A) (notional capital) for sub-paragraphs (c) to (e) substitute—

"(c) a Windrush payment;

(d) a Post Office compensation payment;

(e) a vaccine damage payment;

(f) an LGBT Financial Recognition Scheme payment.".

(6) In regulation 74(9) (non-dependant deductions) after sub-paragraph (bd) insert—

"(be) any LGBT Financial Recognition Scheme payment;".

(7) In Schedule 5 (sums to be disregarded in the calculation of income other than earnings), in paragraph 35—

(a) in sub-paragraph (1A) for paragraphs (c) and (d) substitute—

"(c) Windrush payment;

(d) Post Office compensation payment;

(e) LGBT Financial Recognition Scheme payment.";

(b) in each of sub-paragraphs (2) to (6) for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

(8) In Schedule 6 (capital to be disregarded), in paragraph 24—

(a) in sub-paragraph (1A) for "or vaccine damage payment" substitute ", vaccine damage payment or LGBT Financial Recognition Scheme payment";

(b) in each of sub-paragraphs (2) to (5) and (6) for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

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

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

(2) In regulation 2(1) (interpretation)—

(a) after the definition of "Jobseeker's Allowance Regulations" insert—

(**a**) S.I. 2006/214; relevant amending instruments are S.I. 2007/2869, 2010/641, 2011/2425, 2017/329, 689, 870, 2020/618, 2021/1405, 2023/640, 1144.

""LGBT Financial Recognition Scheme payment" means a payment under the Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme administered under the authority of the Secretary of State for Defence;";

(b) in the definition of "qualifying person" for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

(3) In regulation 55(10) (non-dependant deductions) after sub-paragraph (bd) insert—

"(be) any LGBT Financial Recognition Scheme payment;".

(4) In Schedule 6 (capital to be disregarded), in paragraph 16—

(a) in sub-paragraph (1A) for "or vaccine damage payment" substitute ", vaccine damage payment or LGBT Financial Recognition Scheme payment";

(b) in each of sub-paragraphs (2) to (5) and (6) for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

Amendment of the Employment and Support Allowance Regulations 2008

8.—(1) The Employment and Support Allowance Regulations 2008(**a**) are amended as follows.

(2) In regulation 2(1) (interpretation)—

(a) after the definition of "last day of the course" insert—

""LGBT Financial Recognition Scheme payment" means a payment under the Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme administered under the authority of the Secretary of State for Defence;";

(b) in the definition of "qualifying person" for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

(3) In regulation 107(5A) (notional income – income due to be paid or income paid to or in respect of a third party) for sub-paragraphs (c) and (d) substitute—

"(c) a Windrush payment;

(d) a Post Office compensation payment;

(e) an LGBT Financial Recognition Scheme payment.".

(4) In regulation 112(8)(b) (income treated as capital) for paragraphs (iii) and (iv) substitute—

"(iii) Windrush payment;

(iv) Post Office compensation payment;

(v) LGBT Financial Recognition Scheme payment.".

(5) In regulation 115(5A) (notional capital) for sub-paragraphs (c) to (e) substitute—

"(c) a Windrush payment;

(d) a Post Office compensation payment;

(e) a vaccine damage payment;

(f) an LGBT Financial Recognition Scheme payment.".

(6) In Schedule 6 (housing costs), in paragraph 19(8)(b), for "or Post Office compensation payment" substitute ", Post Office compensation payment or LGBT Financial Recognition Scheme payment".

(**a**) S.I. 2008/794; relevant amending instruments are S.I. 2008/2428, 2010/641, 2011/2425, 2017/329, 689, 870, 2020/618, 2021/1405, 2023/640, 1144.

(7) In Schedule 8 (sums to be disregarded in the calculation of income other than earnings), in paragraph 41—

(a) in sub-paragraph (1A), for paragraphs (c) and (d) substitute—

"(c) Windrush payment;

(d) Post Office compensation payment;

(e) LGBT Financial Recognition Scheme payment.";

(b) in each of sub-paragraphs (2) to (6) for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

(8) In Schedule 9 (capital to be disregarded), in paragraph 27—

(a) in sub-paragraph (1A) for "or vaccine damage payment" substitute ", vaccine damage payment or LGBT Financial Recognition Scheme payment";

(b) in each of sub-paragraphs (2) to (5) and (6) for "or a vaccine damage payment" substitute ", a vaccine damage payment or an LGBT Financial Recognition Scheme payment".

Amendment of the Social Security (Recovery of Benefits) (Lump Sum Payments) Regulations 2008

9.—(1) The Social Security (Recovery of Benefits) (Lump Sum Payments) Regulations 2008(**a**) are amended as follows.

(2) In regulation 7(2) (exempted trusts and payments) after sub-paragraph (q) insert—

";

(r) any payment that is made under the Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme administered under the authority of the Secretary of State for Defence.".

Amendment of the Universal Credit Regulations 2013

10.—(1) The Universal Credit Regulations 2013(**b**) are amended as follows.

(2) In regulation 76(1A) (special schemes for compensation etc.)—

(a) omit the "or" after sub-paragraph (b);

(b) omit the "or" after sub-paragraph (e);

(c) after sub-paragraph (f) insert—

"; or

(g) the Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme administered under the authority of the Secretary of State for Defence.".

(**a**) S.I. 2008/1596, amended by S.I. 2023/640; there are other amending instruments but none is relevant.
(**b**) S.I. 2013/376; relevant amending instruments are S.I. 2020/618, 2021/1405, 2023/640, 1144.

Signed by the authority of the Secretary of State for Work and Pensions

Stephen Timms
Minister of State
17th January 2025 Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

Regulations 2, 3, 5, 6, 7, 8 and 10 amend respectively the Income Support (General) Regulations 1987 (S.I. 1987/1967), the Jobseeker's Allowance Regulations 1996 (S.I. 1996/207), the State Pension Credit Regulations 2002 (S.I. 2002/1792), the Housing Benefit Regulations 2006 (S.I. 2006/213), the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (S.I. 2006/214), the Employment and Support Allowance Regulations 2008 (S.I. 2008/794), and the Universal Credit Regulations 2013 (S.I. 2013/376).

In particular, they amend as appropriate provisions regarding which payments are to be disregarded as income and capital for the purposes of calculating entitlement to benefits in order to create a new disregard. The disregard covers payments pursuant to the Ministry of Defence's Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme ("the Scheme").

Regulations 4 and 9 amend respectively the Social Security (Recovery of Benefits) Regulations 1997 (S.I. 1997/2205) and the Social Security (Recovery of Benefits) (Lump Sum Payments) Regulations 2008 (S.I. 2008/1596) to exempt payments under the Scheme from compensation recovery pursuant to the Social Security (Recovery of Benefits) Act 1997 (c. 27).

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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