Income and capital disregards for income-related Employment and Support Allowance and State Pension Credit for payments from Irish Mother and Baby Institutions Payment Scheme and Church of England Redress Scheme

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Introduction

1. This memo gives guidance on the changes introduced to income-related Employment and Support Allowance and State Pension Credit by the Social Security (Miscellaneous Amendments) Regulations (Northern Ireland) 2026[1] SR

2026 No.177 and the Social Security (Income and Capital Disregards) (Amendment) Regulations (Northern Ireland) 2026[2,] SR 2026 No.181.

1 SS (Misc Amdts) Regs (NI) 26; 2 SS (I&C) (Amdt) Regs (NI) 26

2. The Social Security (Miscellaneous Amendments) Regulations (Northern Ireland) 2026 introduces changes related to the Irish Mother and Baby Institutions Payment Scheme established by the Irish Government[1] and come into operation on 30.10.26[2].

1 Irish Mother and Baby Institutions Payment Scheme Act 2023; 2 SS (Misc Amdts) Regs (NI) 26, reg 1(1)

3. The Social Security (Income and Capital Disregards) (Amendment) Regulations (Northern Ireland) 2026 introduces changes related to the Church of England Redress Scheme[1] and come into operation on 31.10.26[2] or, if later, the day on which section 12 of the Abuse Redress Measure 2025 comes into force.

1 Abuse Redress Measure 2025; 2 SS (I&C) (Amdt) Regs (NI) 26, reg 1(2)

Background

4. The Irish Mother and Baby Institutions Payment Scheme provides financial compensation, referred to as a Mother and Baby Scheme payment, to eligible people who spent time in Mother and Baby Institutions. The Scheme is administered by the Irish Government.

5. The Church of England Redress Scheme provides financial compensation, referred to as a Church of England Redress payment, to eligible people who suffered abuse carried out by a person representing the Church of England.

Treatment of payments for State Pension Credit entitlement

6. Mother and Baby Scheme payments and Church of England Redress payments are disregarded indefinitely as capital for the purposes of calculating income for State Pension Credit[1]. Payments from both schemes are not prescribed as income[2].

1 SPC Regs (NI) 03, Sch 5, para 15; 2 SPC Act (NI), sec 15; SPC Regs (NI) 03, reg 15

Treatment of payments for income-related Employment and Support Allowance entitlement

7. Mother and Baby Scheme payments and Church of England Redress payments are disregarded as income[1] and disregarded indefinitely as capital[2] in the assessment of income-related Employment and Support Allowance.

1 ESA Regs (NI) 08, Sch 8, para 40; 2 reg 112(8)(b); Sch 9, para 27

8. Mother and Baby Scheme payments and Church of England Redress payments are not be treated as notional income[1] and notional capital[2].

1 ESA Regs (NI) 08, reg 107(5A); 2 reg 115(5A)

Housing costs - non-dependant deductions

9. For income- related Employment and Support Allowance[1] and State Pension Credit[2], Mother and Baby Scheme payments and Church of England Redress payments are disregarded from a non-dependant's gross weekly income when calculating deductions from allowable housing costs.

1 ESA Regs (NI) 08, Sch 6, para 19(8); 2 SPC Regs (NI) 03, Sch 2, para 14(8)

Annotations

Please annotate the number of this memo against the following DMG paragraphs

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