DMG Memo 04-25 Income and Capital Disregards for the MoD's LGBT Financial Recognition Scheme

Contents   **Paragraphs**

INTRODUCTION

1. This memo gives guidance on the Social Security (Income and Capital Disregards) (Amendment) Regulations 20251 [SS (I&C) (Amdt) Regs 2024], SI 2025/44. These changes take effect from 28.02.2025.

1 SS (I&C)(Amdt) Regs 2025; SI 2025/44

BACKGROUND

2. These regulations[1] amend the existing regulations about which payments are to be disregarded as income and capital for the purposes of calculating entitlement to income-related benefits in order to exclude payments pursuant to the Ministry of Defence's Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme

1 SS (I&C)(Amdt) Regs 2025

DEFINITIONS

3. These regulations[1] insert new definitions for:

1. LGBT Financial Recognition Scheme (see paragraph 4)

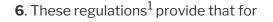**2**. Qualifying person (see paragraph 5)

1 SS (I&C)(Amdt) Regs 2025

4. "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[1]

1 SS (IIS (Gen) Regs 1987, reg 2(1); JSA Regs 1996, reg 1(3); SPC Regs 2002, reg 1(2); ESA Regs 2008, reg 2(1) & (C)(Amdt) Regs 2025

5. In the definition of qualifying person, an LGBT Financial Recognition Scheme payment is inserted into relevant legislation[1]. This means any person that receives a payment from these schemes is added to the definition of a qualifying person.

1 IS (Gen) Regs 1987, reg 2(1); JSA Regs 1996, reg 1(3);1 SPC Regs 2002, reg 1(2); ESA Regs 2008, reg 2(1)

CAPITAL DISREGARD

6. These regulations[1] provide that for

    1. IS[2]

    2. JSA(IB)[3]

    3. ESA(IR)[4]

    4. SPC[5]

any LGBT Financial Recognition Scheme payment will be disregarded indefinitely from a person's capital.

1 SS (I&C Dis) (Amds) Regs 2025; 2 IS (Gen) Regs 1978, Sch 10, para 22; 3 JSA Regs 1996, Sch 8, para 27;

4 ESA Regs 2008, Sch 9, para 27; 5 SPC Regs 2002, Sch 5, para 15(1A)

7. These regulations provide that for

    1. IS

    2. JSA(IB)

    3. ESA(IR)

    4. SPC

any LGBT Financial Recognition Scheme payment is disregarded indefinitely if the payment is made

    1. by or on behalf of the person who got the money from the schemes and that person

1.1 is a qualifying person **or**

1.2 was a qualifying person if the person has died **and**

2. to or for the benefit of

2.1 a partner of former partner of the person who got the money from the schemes and they are not estranged, divorced or part of a dissolved civil partnership or were not if the person has died[1] **or**

2.2. a child or young person who

2.2.a is a member of the family of the person who got the money from the schemes **or**

2.2.b was a member of that person's family and is a member of the claimant's family[2]

1 IS (Gen) Regs 1987, Sch 10, para 22(2); JSA Regs 1996, Sch 8, para 27(2);

ESA Regs 2008, Sch 9, para 27(2); SPC Regs 2002, Sch 5, para 15(2)

2 IS (Gen) Regs 1978, Sch 10, para 22(2); JSA Regs 1996, Sch 8, para 27(2);

ESA Regs 2008, Sch 9, para 27(2);

8. A payment from money which a partner or former partner gets from the scheme is disregarded indefinitely if the payment is made

1. by or on behalf of a partner or former partner of a person who

1.1 is a qualifying person **or**

1.2 was a qualifying person if the person has died

and the are not estranged, divorced or part of a dissolved civil partnership or were not if the person has died[1] **and**

1. to or for the benefit of
2. a partner of former partner of the person who got the money from the schemes and they are not estranged, divorced or part of a dissolved civil partnership or were not if the person has died[1] **or**

2.1 a child or young person who

2.2.a is a member of the family of the person who got the money from the schemes **or**

2.2.b was a member of that person's family and is a member of the claimant's family[2]

1 IS (Gen) Regs 1978, Sch 10, para 22(3); JSA Regs 1996, Sch 8, para 27(3);

ESA Regs 2008, Sch 9, para 27(3); SPC Regs 2002, Sch 5, para 15(3)

2 IS (Gen) Regs 1978, Sch 10, para 22(3); JSA Regs 1996, Sch 8, para 27(3);

ESA Regs 2008, Sch 9, para 27(3)

9. These regulations also provide that for

> **1.** IS
>
> **2.** JSA(IB)
>
> **3.** ESA(IR)
>
> **4**. SPC

any LGBT Financial Recognition Scheme payment is disregarded

> **1**. from the date of payment until two years after the date of death of the person if the payment is made by or on behalf of the person who received the payment[1] **or**
>
> **2.** for two years from the date of death if the payment is made from the estate of that person[2]

where that person

> **1**. is a qualifying person **and**
>
> **2**. has no
>
> > **2.1** partner or former partner from whom the person is not estranged, divorced or part of a dissolved civil partnership **or**
> >
> > **2.2** child who is or has been a member of the person's household **and**
>
> **3**. to the
>
> > **3.1** person's parent or step-parent **or**
> >
> > **3.2** person standing in place of the parent if there is no parent or step-parent and at the date of the payment the person is a
> >
> > > **i.** a child **or**
> > >
> > > **ii**. student who has not finished FTE.

1 IS (Gen) Regs 1978, Sch 10, para 22(4); JSA Regs 1996, Sch 8, para 27(4);

ESA Regs 2008, Sch 9, para 27(4); SPC Regs 2002, Sch 5, para 15(4)

2 IS (Gen) Regs 1978, Sch 10, para 22(5); JSA Regs 1996, Sch 8, para 27(5);

ESA Regs 2008, Sch 9, para 27(5); SPC Regs 2002, Sch 5, para 15(5)

10. Any capital which a person gets from the income or capital of the payment is disregarded indefinitely[1]

1 IS (Gen) Regs 1978, Sch 10, para 22(6); JSA Regs 1996, Sch 8, para 27(6); ESA Regs 2008, Sch 9, para 27(6); SPC Regs 2002, Sch 5, para 15(6)

NOTIONAL CAPITAL

11. For IS[1], JSA(IB)[2] & ESA(IR)[3], any LBGT Financial Recognition Scheme payment paid to

1. a third party for the claimant or their partner **or**

the claimant or their partner for a third party is not to be treated as notional capital.

1 IS (Gen) Regs 1987, reg 51(3B); 2 JSA Regs 1996, reg 113(3B); 3 ESA Regs 2008, reg 115(5A)

INCOME DISREGARDS

12. Fully disregard[1]

1. any LGBT Financial Recognition Scheme Payments in IS, JSA(IB) and ESA(IR) **and**

2. any income from capital that was a LGBT Financial Recognition Scheme Payment in IS, JSA(IB), ESA(IR).

1 IS (Gen) Regs, Sch 9, paras 39(1A) to 39(6); JSA Regs, Sch 7, para 41(1A); ESA Regs, Sch 8, para 41(1A) to 41(6)

13. LGBT Financial Recognition Scheme Payments are also disregarded for the following purposes:

1. Payments to a Third Party in respect of a claimant or their partner[1]

2. Non-dependants' gross weekly income for the purposes of calculating deductions for allowable housing costs[2]

3. Income treated as Capital³

1 IS (Gen) Regs, reg 42(4ZB); JSA Regs, reg 105(10A); ESA Regs, reg 107(5A) 2 IS (Gen) Regs, Sch 3, para 18(8)(b); JSA Regs, Sch2, para 17(8)(b); ESA Regs, Sch 6, para 19(8)(b; SPC Regs, Sch 2, para 14(8)(be) 3 IS (Gen) Regs, reg 48(10); JSA Regs, reg 110(10); ESA Regs, reg 112(8)(b)

ANNOTATIONS

Please annotate the number of this memo against the following DMG paragraphs **23775, 28350, 28450, 28468, 28472, 28477, 28479, 28515, 28670, 28681, 29418, 29447, 29448, 29450, 29861, 29862, 44611, 51210, 51341, 51360, 51363, 51384, 51418, 51598, 51606, 52418, 52446, 52449, 52450, 52729, 52861, 52862, 78524, 84475, 84476, 84477, 85370**

CONTACTS

If you have any queries about this memo, please write to Decision Making and Appeals (DMA) Leeds, 3E zone E, Quarry House, Leeds. Existing arrangements for such referrals should be followed, as set out in – Memo **4/19** Requesting case guidance from DMA Leeds for all benefits.

DMA (Leeds): March 2025

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