STATUTORY INSTRUMENTS

2026 No. 211

INCOME TAX

The Income Tax (Exemption of Social Security Benefits) Regulations 2026

Made - - - -	*4th March 2026*
Laid before the House of Commons - - - -	*5th March 2026*
Coming into force - -	*1st April 2026*

The Treasury make the following Regulations in exercise of the powers conferred by section 13(1) and (2)(c) and (d) of the Finance Act 2020(**1**).

Citation and commencement

1. These Regulations may be cited as the Income Tax (Exemption of Social Security Benefits) Regulations 2026 and come into force on 1st April 2026.

Modifications to the Income Tax (Earnings and Pensions) Act 2003

2.—(1) The Income Tax (Earnings and Pensions) Act 2003(**2**) is modified as follows.

(2) Section 677(1) (UK social security benefits wholly exempt from tax: Table B)(**3**) has effect as if, in Part 1 of Table B (benefits payable under primary legislation and Northern Ireland welfare supplementary payments etc), at the appropriate place, there were inserted—

""Payments made out of the grant known as the Crisis and	LGA 2003(**5**)	Section 31

(**1**) 2020 c. 14. The parliamentary procedure for section 13 is found at section 1014 of the Income Tax Act 2007 (c. 3), which applies to all powers under the "Income Tax Acts", as defined by Schedule 1 to the Interpretation Act 1978 (c. 20), unless excluded, which the Finance Act 2020 is not.

(**2**) 2003 c. 1.

(**3**) Section 677 was amended by: paragraph 9 of Schedule 17 and Part 2 of Schedule 42 to the Finances Act 2004 (c. 12), paragraph 24 of Schedule 3 to the Welfare Reform Act 2007 (c. 5), section 46 of the Finance Act 2008 (c. 9), section 138 of the Health and Social Care Act 2008 (c. 14), paragraph 49 of Schedule 9 to the Welfare Reform Act 2012 (c. 5), section 13 of the Finance Act 2013 (c. 29), paragraph 48 of Schedule 16 to the Pensions Act 2014 (c. 19), paragraph 47 of Schedule 16 to the Pensions Act (Northern Ireland) 2015 (c. 5), section 16 of the Finance Act 2015 (c. 11), section 12 of the Finance Act 2019 (c. 1), and section 12 of the Finance Act 2020. It was also amended by regulation 3 of S.I. 2014/606, regulation 15 of S.I. 2017/338, regulation 2 of S.I. 2021/1341, regulation 2 of S.I. 2022/529, regulation 3 of S.I. 2023/1148, regulation 2 of S.I. 2024/287, regulation 2 of S.I. 2024/901 and regulation 2 of S.I. 2025/212.

(**5**) 2003 c. 26.

Resilience Fund that is the subject of guidance published by the Department for Work and Pensions on 21st January 2026 (**4**)	
Payments made pursuant to any scheme or grant in Scotland, Wales or Northern Ireland corresponding to the Crisis and Resilience Fund””.	

(3) In Schedule 1, the Table in Part 1 (abbreviations of Acts and instruments) has effect as if at the appropriate place there were inserted—

“LGA 2003	Local Government Act 2003”.

Gen Kitchen
Taiwo Owatemi
Two of the Lords Commissioners of His Majesty's Treasury

4th March 2026

(**4**) Details of the Crisis and Resilience Fund have been published at https://www.gov.uk/government/publications/crisis-and-resilience-fund-guidance-for-local-authorities-in-england-1-april-2026-to-31-march-2029/the-crisis-and-resilience-fund-guidance-for-local-authorities-in-england-1-april-2026-to-31-march-2029

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations modify Chapter 5 of Part 10 of the Income Tax (Earnings and Pensions) Act 2003 (c. 1) ("ITEPA"), by inserting a new scheme of social security benefits and payments into Table B in section 677 of ITEPA so as to provide that no liability to income tax arises from those benefits and payments.

Regulation 2 modifies Part 1 of Table B in section 677 of ITEPA so that is has effect as if a new row was inserted into it, in order to wholly exempt Crisis and Resilience Fund payments from income tax. It also makes a consequential modification to the Table in Part 1 of Schedule 1 to ITEPA, so that the Table has effect as if the abbreviation for the Local Government Act 2003 (c. 26) were inserted into it.

A Tax Information and Impact Note has not been prepared for this instrument as it contains no substantive changes to tax policy.