EXPLANATORY MEMORANDUM TO THE HOUSE OF LORDS SELECT COMMITTEE ON THE MERITS OF STATUTORY INSTRUMENTS

THE BACK TO WORK BONUS (AMENDMENT) REGULATIONS

2004 No. 1655

1. This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 The Regulations amend the Social Security (Back to Work Bonus and Lone Parent Run-on (Amendment and Revocation) Regulation 2003 (SI 2003/1589) to provide for an extended period of transitional protection for customers who have an accrued Back to Work Bonus and who satisfy the conditions for receiving a Back to Work Bonus payment by 28th January 2005. Regulation 2(a) corrects an omission in the original regulations.

3. Legislative Background

3.1 At the meeting on the 7th May 2003, the Social Security Advisory Committee (SSAC) were presented with details of the proposal to end the Back to Work Bonus and Lone Parent Run-on schemes and the amending Regulations required to achieve this (SI 2003/1589 refers). The Committee did not require the regulations to be formally referred and the Regulations were laid 25th June 2003.

3.2 The Chairman of SSAC subsequently wrote to the Secretary of State on the 11th July 2003 requesting that consideration be given to extending the Back To Work Bonus transitional arrangements for a further year. The Secretary of State declined to extend the transitional period as requested but did agree to a modest extension to the time limit for claiming an accrued bonus in line with existing procedures. Amending Regulations to support this have now been prepared.

4. Extent

4.1 This instrument applies to Great Britain.

5. European Convention on Human Rights

5.1 This instrument is subject to the negative resolution and does not amend primary legislation.

6. Policy background

6.1 The Social Security (Back to Work Bonus and Lone Parent Run-on

(Amendment and Revocation) Regulation 2003 (SI 2003/1589) provide for the closure of the Back to Work Bonus and Lone Parent Run-on schemes. From the 25th October 2004, new customers will no longer be able to join the Back to Work Bonus scheme and existing customers who have an accrued bonus will no longer be able to add to the amount.

6.2 The original provisions included a Transitional Period from 25th October 2004 to 28th January 2005 to allow for existing customers who fulfil the relevant qualifying criteria to realise any protected bonus as long as they made their claim on or before the 28th January 2005.

6.3 The amending Regulations extend the time limit for claiming an accrued Back to Work Bonus in line with existing procedures. This extension means that all customers who satisfy the qualifying BTWB conditions during the transitional period will have 12 weeks (calculated as appropriate to the method of qualification) after leaving benefit in which to submit their BTWB claim and will ensure that all clients have an equal opportunity to realise any accrued bonus, particularly those who do not meet the qualifying criteria until the end of the period.

7. Impact

7.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

8. Contact

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