Draft Order laid before Parliament under section 54(2)(c) of the Pensions Act 2014, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2016 No.

SOCIAL SECURITY

The Pensions Act 2014 (Consequential Amendments) Order 2016

Made - - - - ***

Coming into force in accordance with article 1

The Secretary of State for Work and Pensions, in exercise of the power conferred by section 53 of the Pensions Act 2014(**a**), makes the following Order.

A draft of this Order was laid before Parliament in accordance with section 54(2)(c) of that Act and approved by a resolution of each House.

Citation and commencement

1. This Order may be cited as the Pensions Act 2014 (Consequential Amendments) Order 2016 and comes into force on the day after the day on which it is made.

Amendment of the Social Security Administration Act 1992

2.—(1) The Social Security Administration Act 1992(**b**) is amended as follows.

(2) In subsection (5) of section 159 (effect of alteration in the component rates of income support)(**c**)—

(a) in the definition of "alteration"—

(i) in the introductory words of paragraph (b), for "section 150 or 150A" substitute "section 150, 150A or 151A"; and

(ii) in paragraph (b)(ii), after "section 150, 150A" insert ", 151A"; and

(b) in the definition of "benefit income", after paragraph (a) insert—

"(za) state pension under Part 1 of the Pensions Act 2014;".

(**a**) 2014 c.19.
(**b**) 1992 c.5.
(**c**) Subsection (5) was amended by paragraph 25 of Schedule 1 to the Pensions Act 2007 (c.22) and paragraph 18 of Schedule 9 to the Welfare Reform Act 2012 (c.5).

(3) In subsection (5) of section 159A (effect of alteration of rates of a jobseeker's allowance)(**a**)—

(a) in paragraph (b) of the definition of "alteration", for "150 or 150A", in each place where it occurs, substitute "150, 150A or 151A"; and

(b) in the definition of "benefit income", after paragraph (a) insert—

"(aa) state pension under Part 1 of the Pensions Act 2014;".

(4) In section 159B (effect of alterations affecting state pension credit)(**b**)—

(a) in subsection (4)(a), after "section 150, 150A" insert ", 151A"; and

(b) in subsection (6)—

(i) in paragraph (b) of the definition of "alteration"—

(aa) for "section 150 or 150A" substitute "section 150, 150A or 151A"; and

(bb) for "section 150, 150A" substitute "section 150, 150A, 151A"; and

(ii) in the definition of "benefit income", after "Contributions and Benefits Act" insert ", state pension under Part 1 of the Pensions Act 2014".

(5) In section 159C (effect of alteration of rates of an employment and support allowance)(**c**)—

(a) in subsection (4)(a), after "section 150, 150A" insert ", 151A"; and

(b) in subsection (6)—

(i) in paragraph (b) of the definition of "alteration"—

(aa) for "section 150 or 150A" substitute "section 150, 150A or 151A"; and

(bb) for "section 150, 150A" substitute "section 150, 150A, 151A"; and

(ii) in the definition of "benefit income", after "Contributions and Benefits Act" insert ", state pension under Part 1 of the Pensions Act 2014".

(6) In section 159D (effect of alterations affecting universal credit)(**d**)—

(a) in subsection (4)(a), after "section 150, 150A" insert ", 151A"; and

(b) in subsection (6)—

(i) in paragraph (b) of the definition of "alteration"—

(aa) for "section 150 or 150A" substitute "section 150, 150A or 151A"; and

(bb) for "section 150, 150A" substitute "section 150, 150A, 151A"; and

(ii) in the definition of "benefit income", after "Contributions and Benefits Act" insert ", state pension under Part 1 of the Pensions Act 2014".

(**a**) Section 159A was inserted by section 24 of the Jobseekers Act 1995 (c.18) and amended by paragraph 96 of Schedule 7 to the Social Security Act 1998 (c.14), paragraph 26 of Schedule 1 to the Pensions Act 2007 and paragraph 19 of Schedule 9 to the Welfare Reform Act 2012.

(**b**) Section 159B was inserted by paragraph 17 of Schedule 2 to the State Pension Credit Act 2002 (c.16) and amended by paragraph 188 of Schedule 6 to the Income Tax (Earnings and Pensions) Act 2003 (c.1), paragraph 22 of Schedule 3 to the Welfare Reform Act 2007 (c.5), paragraph 27 of Schedule 1 to the Pensions Act 2007, paragraph 20 of Schedule 9 to the Welfare Reform Act 2012 and by S.I. 2005/2053.

(**c**) Section 159C was inserted by paragraph 23 of Schedule 3 to the Welfare Reform Act 2007 and amended by paragraph 28 of Schedule 1 to the Pensions Act 2007 and paragraph 21 of Schedule 9 to the Welfare Reform Act 2012.

(**d**) Section 159D was inserted by paragraph 23 of Schedule 2 to the Welfare Reform Act 2012.

Amendment of Schedule 3 to the Social Security Act 1998

3. In paragraph 17 of Schedule 3 to the Social Security Act 1998(**a**) (decisions against which an appeal lies), after "section 22(5)" insert "or (5ZA)".

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

Name
Minister of State
Date Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes amendments to the Social Security Administration Act 1992 (c.5) ("the 1992 Act") and the Social Security Act 1998 (c.14) ("the 1998 Act") which are consequential on the introduction of the State Pension for persons reaching pensionable age on or after 6 April 2016 by the Pensions Act 2014 (c.19).

Article 2 amends sections 159 to 159D of the 1992 Act. These provisions provide for an up-rated amount of certain social security and other payments to be taken into account in the calculation of income-related benefits, that is, income support, income-based jobseeker's allowance, income-related employment and support allowance, state pension credit and universal credit. The amendments provide that where the rate of the relevant income-related benefit is to be altered because the rate of State Pension in payment to the recipient or their partner is to be up-rated, this alteration will be made automatically without the need for a further decision by the Secretary of State.

Article 3 amends paragraph 17 of Schedule 3 to the 1998 Act to provide for a right of appeal against a decision as to whether a person is to be credited with earnings or contributions for the purposes of entitlement to the State Pension under regulations made under section 22(5ZA) of the Social Security Contributions and Benefits Act 1992 (c.4).

A full impact assessment has not been published for this Order as it has no impact on the private sector or civil society organisations. An assessment has been made of the impact of the introduction of the new State Pension. Copies of that impact assessment may be obtained from the Better Regulation Unit of the Department for Work and Pensions, Caxton House, Tothill Street, London SW1H 9NA or from the DWP website: https://www.gov.uk/government/uploads/system/uploads/attachments_data/file/311316/pensions-act-ia-annex-a-single-tier-state-pension.pdf. (Annex A contains the assessment for the State Pension.)

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(**a**) 1998 c.14.

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