EXPLANATORY MEMORANDUM

THE SOCIAL SECURITY BENEFITS (COMPUTATION OF EARNINGS) (AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2015

2015 No. 811

1. This explanatory memorandum has been prepared by HM Revenue and Customs and is laid before Parliament by Command of Her Majesty.

2. Purpose of this instrument

This instrument amends the definition of "service user" in the Social Security Benefit (Computation of Earnings) Regulations (Northern Ireland) 1996 (S.R. (NI) 1996 No 520) ("Computation of Earnings Regulations") www.legislation.gov.uk/nisr/1996/520/made, bringing the definition in line with Northern Ireland social security regulations and corresponding to changes made in Great Britain.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None.

4. Legislative Context

A service user group is currently defined as a group of individuals consulted by or on behalf of a range of government or public bodies, under specified legislation, in relation to their policies or services. This definition has now been simplified and extended in social security legislation. This instrument amends the Computation of Earnings Regulations to align the definition of "service user" with Northern Ireland social security regulations, corresponding to changes made by the equivalent Great Britain regulations.

5. Territorial Extent and Application

This instrument applies to Northern Ireland. Equivalent provision will be made for Great Britain.

6. European Convention on Human Rights

As this instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1. The definition of 'service user group' is being amended in line with changes made in Great Britain. The new definition is simpler and more flexible than the one used previously. While it is still limited to people who are consulted in the field of health, social care or social housing, it no longer contains references to the specific legislation under which service users must be consulted. It also specifically includes people consulted by research organisations, and the carers of people consulted, thus removing some confusion about the status of these groups.

7.2. This definition has already been adopted in other social security legislation. This amendment to the Computation of Earnings Regulations brings all the relevant provisions into alignment.

7.3. In addition, claimants on income-related benefits who are consulted by or on behalf of bodies with statutory duties to provide services in the field of health, social care or social housing can have payments in respect of expenses disregarded when their income is calculated for the purposes of entitlement to benefit and that the notional income rule does not apply in respect of these payments.

7.4 People may also be consulted in Northern Ireland by or on behalf of the Department for Social Development or the Department for Employment and Learning further to those Departments' duties to perform functions in the field of social security and labour market services respectively. Many of the people consulted are in receipt of social security benefits. Until recently, any incentive payments made to participants were treated as capital payments which for the majority of people meant there was no effect on benefits.

7.5 Following a review of the policy, it has been concluded that such incentive payments should be treated as income when determining entitlement to benefit and treated accordingly. A disparity, however, will exist with claimants who participate in research for other statutory bodies. This will also act as a deterrent to participation in departmental research; claimants are more likely to participate if they are not financially worse off for doing so.

7.6 Therefore the aforementioned legislation is being amended to include claimants consulted in respect of duties to perform functions in Northern Ireland in the field of:

- social security and child support by or on behalf of the Department for Social Development, or
- labour market services by or on behalf of the Department for Employment and Learning.

Departmental research participants will therefore be treated in the same way as research participants in the areas of health, social care and social housing, i.e. any payments of expenses will be disregarded and the notional income rule will not apply. Any other payments will be subject to the earnings rules applicable to the benefit in payment.

- Consolidation

7.7 Informal consolidation of these instruments will be provided in due course with other informal consolidated text of instruments which are available to the public free of charge via 'The Law Relating to Social Security' (Blue Volumes) on the DSD website at http://www.dsdni.gov.uk/index/law_and_legislation/law_relating_to_social_security.htm or the National Archive website legislation.gov.uk. An explanation as to which instruments are maintained on each site is available here."

8. Consultation outcome

A formal consultation has not been carried out on these Regulations. Consultation was not considered necessary for these changes as it simply aligns the Computation of Earnings Regulations with the social security regulations.

9. Impact

9.1 There is no impact on business or civil society organisations.

9.2 The impact on the public sector is negligible.

9.3 An Impact Assessment has not been produced for this instrument.

11. Regulating small business

The legislation does not apply to small business.

12. Monitoring & review

The operation of the Regulations will continue to be reviewed through the normal process.

13. Contact

Hasan Mustafa at HMRC, Tel: 03000 586 718 or e-mail:
hasan.mustafa@hmrc.gsi.gov.uk can answer any queries regarding the instrument.