EXPLANATORY MEMORANDUM

THE SOCIAL SECURITY BENEFITS UP-RATING ORDER (NORTHERN IRELAND) 2014

S.R. 2014 No. 78

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Social Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2 The Statutory Rule is made under sections 132, 132A and 165(1), (4) and (5) of the Social Security Administration (Northern Ireland) Act 1992 and is subject to the confirmatory procedure.

2. Purpose

2.1 This Order, one of a series of statutory rules relating to the annual up-rating, provides for the rates of social security benefits, pensions and allowances from April 2014.

2.2 Article 1 provides for the title and commencement of the Order.

2.3 Article 2 defines certain terms and provides for the application of the Interpretation Act (Northern Ireland) 1954.

2.4 Article 3 provides for changes in the rates of certain benefits, and increases of benefit, specified in Schedule 4 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992 ("the Contributions and Benefits Act").

2.5 Article 4 increases the rates and amounts of certain pensions and allowances under the Contributions and Benefits Act.

2.6 Article 5 increases the sums payable as part of a Category A or Category B retirement pension under sections 11(1) and 13(2) and (3) of the Pension Schemes (Northern Ireland) Act 1993 ("the Pension Schemes Act") on account of increases in guaranteed minimum pensions.

2.7 Article 6 specifies the dates from which the sums specified for rates or amounts of benefit under the Contributions and Benefits Act or the Pension Schemes Act are changed.

2.8 Article 7 specifies earnings limits for child dependency increases.

2.9 Article 8 increases the rate of statutory sick pay.

2.10 Article 9 increases the rate of statutory maternity pay.

2.11 Article 10 increases the rate of ordinary and additional statutory paternity pay and statutory adoption pay.

2.12 Article 11 increases the rate of graduated retirement benefit.

2.13 Article 12 increases the rates of disability living allowance.

2.14 Article 13 increases the rates of age addition and the rates referred to in Article 13(2) for claimants entitled to long-term incapacity benefit.

2.15 Article 14 increases the rates of transitional invalidity allowance and the rates referred to in Article 14(2) for claimants entitled to long-term incapacity benefit.

2.16 Article 15 increases the rates of widowed mother's allowance, widow's pension, widowed parent's allowance and bereavement allowance.

2.17 Article 16 sets out the sums relevant to the applicable amount for the purposes of income support. Article 16(3) and Schedule 2 set out the personal allowances. Article 16(4) and (5) and Schedule 3 set out the premiums. Article 16(6) specifies the income bands for non-dependent deductions which are increasing. Article 16(7) and Schedule 4 set out other miscellaneous amounts.

2.18 Article 17 provides for the percentage increase of sums payable by way of special transitional additions to income support.

2.19 Article 18 increases the sum by which any income support of a person involved in a trade dispute is reduced.

2.20 Article 19 sets out the sums relevant to the applicable amount for the purposes of housing benefit. Article 19(5) and Schedule 5 set out the personal allowances and Article 19(6) and (7) and Schedule 6 set out the premiums.

2.21 Article 20 sets out the sums relevant to the applicable amount for the purposes of housing benefit for certain persons over the qualifying age for state pension credit. Article 20(5) and Schedule 7 set out the personal allowances and Article 20(6) and (7) and Schedule 8 set out the premiums.

2.22 Article 21 increases the age-related amounts of contribution-based jobseeker's allowance.

2.23 Article 22 sets out the sums relevant to the applicable amount for the purposes of income-based jobseeker's allowance. Article 22(3) and Schedule 9 set out the personal allowances. Article 22(4) and (5) and Schedule 10 set out the premiums. Article 22(6) and Schedule 11 set out the amounts of premiums relevant to joint-claim couples. Article 22(8) and Schedule 12 set out other miscellaneous amounts.

2.24 Article 23 increases the sum by which any income-based jobseeker's allowance of a person involved in a trade dispute is reduced.

2.25 Article 24 and Schedule 13 specify sums relevant to state pension credit.

2.26 Article 25 sets out the sums relevant to the applicable amount for the purposes of employment and support allowance. Article 25(2) and Schedule 14 set out the prescribed amounts. Article 25(3) and Schedule 15 set out the premiums. Article 25(6) and Schedule 16 set out other miscellaneous amounts.

2.27 Article 26 revokes the Social Security Benefits Up-rating Order (Northern Ireland) 2013.

3. Background

3.1 The Secretary of State for Work and Pensions is required under sections 150 and 150A of the Social Security Administration Act 1992 to review annually the level of benefits in relation to the general level of prices obtaining in Great Britain and where the general level is greater at the end of the period under review, an order is laid before Parliament altering the rates of benefits to which those sections apply. The Social Security Benefits Up-rating Order 2014 was made on 11 March 2014.

3.2 The Welfare Benefits Up-rating Act 2013 provides for an increase of 1 per cent. in the majority of working-age benefits and statutory payments for the 2014-15 and 2015-16 years and the Welfare Benefits Up-rating Order 2014, made on 24 January 2014, increases the rates of those benefits.

3.3 The Social Security Benefits Up-rating Order (Northern Ireland) 2014 makes provision for Northern Ireland corresponding to that made by the Social Security Benefits Up-rating Order 2014 and the Welfare Benefits Up-rating Order 2014.

4. Consultation

4.1 Consultation with the Social Security Advisory Committee regarding this Order is not required as it forms part of the annual up-rating package.

5. Equality Impact

5.1 In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has conducted a screening exercise and concluded that as this Order only alters the rates of benefits and does not change the conditions for the receipt of benefits it does not have significant implications for equality of opportunity. In light of this, the Department considers that an equality impact assessment is not necessary.

6. Regulatory Impact

6.1 The Order does not require a Regulatory Impact Assessment as it does not impose any costs on business, charities or voluntary bodies.

7. Financial Implications

7.1 The impact on the public sector is to add to programme expenditure but no additional administration costs will be incurred. The total cost of the 2014 up-rating is expected to increase the Department's annually managed expenditure by approximately £108 million.

8. Section 24 of the Northern Ireland Act 1998

8.1 The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied the Rule—

(a) is not incompatible with any of the Convention rights,

(b) is not incompatible with Community law,

(c) does not discriminate against a person or class of person on the ground of religious belief or political opinion, and

(d) does not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

9. EU Implications

9.1 Not applicable.

10. Parity or Replicatory Measure

10.1 The corresponding Great Britain instruments are the Social Security Benefits Up-rating Order 2014 and the Welfare Benefits Up-rating Order 2014. Parity of timing and substance is an integral part of the maintenance of single systems of social security, pensions and child support provided for in section 87 of the Northern Ireland Act 1998.