EXPLANATORY MEMORANDUM TO

THE SOCIAL SECURITY (INCOME AND CAPITAL DISREGARDS) (AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2026

S.R. 2026 No. 181

1. Introduction

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

1.2. The Statutory Rule is made under the Social Security Contributions and Benefits (Northern Ireland) Act 1992, the State Pension Credit Act (Northern Ireland) 2002, the Welfare Reform Act (Northern Ireland) 2007 and the Welfare Reform (Northern Ireland) Order 2015 and is subject to the negative resolution procedure.

2. Purpose

2.1. The purpose of this Rule is to amend provisions within the State Pension Credit Regulations (Northern Ireland) 2003, the Housing Benefit Regulations (Northern Ireland) 2006, the Housing Benefit (Persons who have attained the qualifying age for State Pension Credit) Regulations (Northern Ireland) 2006, the Employment and Support Allowance Regulations (Northern Ireland) 2008 and the Universal Credit Regulations (Northern Ireland) 2016 to ensure that payments made via the Church of England Redress Scheme ("the Scheme") are disregarded indefinitely as capital or income when calculating entitlement to the above means-tested benefits in Northern Ireland.

2.2. If these payments were not disregarded, claimants who receive payments from this scheme could see their benefit entitlement reduced or cease.

3. Background

What is being done and why?

3.1. The Abuse Redress Measure 2025 establishes a scheme for victims and survivors of Church-related abuse. The proposed framework would result in the Church of England paying individual awards of between £5,000 and, in rare and exceptional circumstances, £660,000.

3.2 Where an applicant sadly dies before their application has been determined, the application may still be continued. Priority to continue the application will normally pass first to a surviving spouse or civil partner, then to a surviving child and, where neither is able or willing to act, to the deceased's personal representative.

3.3 Payments made under the Scheme may affect entitlement to means-tested benefits where they would otherwise be treated as income or capital. These Regulations amend the relevant social security legislation and make consequential amendments to associated provisions to ensure that such payments are disregarded in the calculation of entitlement to the relevant benefits.

3.4 Existing legislation provides for the disregard of certain personal injury payments and specified compensation schemes but does not extend to payments made under the Scheme. Without these amendments, such payments would be taken into account in the assessment of entitlement to means-tested benefits and could reduce or extinguish entitlement for some recipients.

3.5 As the Scheme is analogous to previous compensation schemes that have been legislated for, the Department is making legislative amendments to ensure that compensation payments received under the Scheme are disregarded indefinitely as income and capital in the assessment of entitlement to certain means-tested benefits for claimants resident in Northern Ireland.

3.6 As the Scheme is a new scheme, claimants who are in receipt of, or make new claims for means-tested benefits will be able to access the indefinite capital and income disregard from the date payments made under the Scheme start.

3.7 The Regulations will come into operation on 31 October 2026 or, if later, the day on which section 12 of the Abuse Redress Measure 2025 comes into force. The Church of England expects to commence making payments from November 2026. This timing will ensure that the disregard is in operation before payments are made under the Scheme.

3.8 The Department has previously introduced regulations that provide for an indefinite disregard for similar compensation and support payments made to people affected by the Historical Institutional Abuse compensation scheme, as well as the Mother and Baby Institutions Payment Scheme.

3.9 Similar amendments were made via the Social Security (Income and Capital Disregards) (Amendment) Regulations (Northern Ireland) 2023 (S.R. 2023 No. 97) so payments made by analogous schemes such as Grenfell Tower compensation, Post Office compensation and under the Vaccine Damage Payments scheme could be disregarded in the same way.

4. Consultation

4.1. There is no requirement to consult on these Regulations. They make in relation to Northern Ireland only provision corresponding to provision contained in Regulations made by the Secretary of State for Work and Pensions in relation to Great Britain.

4.2 The Department for Work and Pensions presented their draft Regulations to the Social Security Advisory Committee on 9 September 2026. The Committee did not take the Regulations on formal reference.

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 on proposals for this Rule and concluded that it does not have significant implications for equality of opportunity or good relations. In light of this, the Department concluded that an equality impact assessment was not necessary.

6. Regulatory Impact

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

7. Financial Implications

7.1. None for the Department.

8. Section 24 of the Northern Ireland Act 1998

8.1. The Department is satisfied that this Rule complies with section 24 of the Northern Ireland Act 1998 (Convention rights, etc.).

9. EU Implications

9.1. Not applicable.

10. Parity or Replicatory Measure

10.1. The corresponding Great Britain Instrument is the Social Security (Income and Capital Disregards) (Amendment) Regulations 2026 (S.I. 2026/1072) which were laid on 9 October 2026 and come into force on 31 October 2026, or if later, the day on which section 12 of the Abuse Redress Measure 2025 comes into force.

11. Additional Information

11.1. Guidance will be issued to relevant Department for Communities staff prior to this Statutory Rule becoming operational.

12. 21 Day Rule

12.1 Parity of timing and substance is an integral part of the maintenance of single systems of social security, child support and pensions in line with section 87 of the Northern Ireland Act 1998. Due to the need to align the Statutory Rule with the final Department for Work and Pensions (DWP) instrument, it was not possible to lay it on the same date as DWP. The Department must ensure that the draft Northern Ireland legislation reflects the legislative provision and aligns the operational date with the equivalent legislation made in Great Britain, and it is not always possible for the legislation for Northern Ireland to be made on the same day as Great Britain. This additional level of scrutiny ensures that the single systems of social security, child support and pensions are maintained. The Department regrets that it has been unable to comply with the 21-day rule.