EXPLANATORY MEMORANDUM TO

THE SOCIAL SECURITY (PROVISIONS RELATING TO QUALIFYING YOUNG PERSONS) (AMENDMENT) REGULATIONS 2006

2006 No. 692

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 Social Security (Provisions relating to Qualifying Young Persons) (Amendment) Regulations 2006 are made to amend Regulations on 10 April 2006 to ensure the rules for Adult Dependency Increases, widowed mother's allowance and widowed parent's allowance are consistent with new Child Benefit rules.

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

3.1 None.

4. Legislative Background

4.1 These Regulations are made to amend the:

- Social Security Benefit (Dependency) Regulations 1977;
- Social Security (Widow's Benefit and Retirement Pensions) Regulations; and
- 1979. Social Security (Incapacity Benefit – Increases for Dependants) Regulations 1994.

4.2 The 1999 Social Exclusion Unit report "Bridging the Gap" identified the complexity of the system of financial support for 16-19 year olds as a major barrier to learning. In March 2003 the Chancellor established a review to ensure that all young people have the support and incentives they need to participate in education and training. The review's report "Supporting Young People to Achieve" was published alongside the 2004 Budget and set out the Government's long-term aspiration of a single coherent system for all 16-19 year-olds. The report also set out a package of changes as intermediate steps towards that long-term vision. These intermediate measures were intended to address some of the key problems identified by the review.

4.3 Following the recommendations of the HM Treasury led cross-Departmental review of financial support for 16-19 year olds, the Child Benefit Act 2005 amends the qualifying rules for Child Benefit as part of an agreed package of changes to extend family financial support to unwaged trainees in "approved training" and those completing a course of full-time non-advanced education which commenced prior to their 19th birthday.

4.4 The proposed draft regulations make further consequential amendments by inserting references to "qualifying young person" in secondary legislation relating to dependency increases for adults and bereavement benefits. The changes are solely technical and do not change current policy that entitlement to the benefit or

increases of benefit continue so long as Child Benefit remains payable for the relevant child.

4.5 The main purpose of the amendments is to take account of the new definition of a "qualifying young person", thereby extending the cut-off age to 20 in line with the new Child Benefit age cut-off and allowing increases of benefit to be paid to a person in respect of a person who has the care of a child or qualifying young person in respect of whom the beneficiary is entitled to Child Benefit.

5. Extent

5.1 This instrument applies to Great Britain.

5.2 Equivalent provision in relation to Northern Ireland will be made by statutory rule.

6. European Convention on Human Rights

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

7. Policy background

7.1 In order to take account of the Child Benefit Act changes, which will come into force on 10 April 2006, we propose to amend the Regulations:

- applying to dependency increases paid in respect of a person who has care of a child for whom the claimant is entitled to Child Benefit; and

- on entitlement to widowed mother's allowance and widowed parent's allowance affected by entitlement to Child Benefit,

in order to enable payment of the benefit or increase of the benefit to continue so long as the beneficiary remains entitled to Child Benefit.

7.2 No consultation was necessary.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on the costs of business, charities and voluntary bodies.

8.2 There is limited impact on the public sector of the provisions in these Regulations. Child Benefit is already payable up to age 19 and so the legislation is only extending it by another year in limited circumstances and costs will depend on take up of the extra year. Based on current estimates, the cost to the public sector is expected to be around £500,000.

9. Contact

PAUL LAPRAIK at the Department for Work and Pensions Tel: 020 7962 8157 or e-mail: paul.lapraik@dwp.gsi.gov.uk can answer any queries regarding the instrument.