EXPLANATORY MEMORANDUM TO

THE SOCIAL SECURITY (WORK-FOCUSED INTEVIEWS ETC.) (EQUALISATION OF STATE PENSION AGE) AMENDMENT REGULATIONS 2010

2010 No. 563

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. Purpose of the instrument

2.1 This instrument makes a number of amendments to regulations dealing with work-focused interviews as described in the Social Security Administration Act 1992.

2.2 It makes provision to increase the upper age limit when a person is required to attend a work-focused interview as a condition of entitlement to benefit. The age will rise from 60 to 65 between 6 April 2010 and 5 April 2020, in line with the increase in state pension age for women.

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

None

4. Legislative Context

4.1 Currently a person who makes a claim for a specified benefit described as Income Support, Incapacity Benefit and Severe Disablement Allowance, and is under the age of 60 at the time of making the claim, is required to take part in a work-focused interview. This is also a condition of a person continuing to be entitled to the full amount of benefit.

4.2 The Welfare Reform Act 2009 requires: persons under ‘pensionable age’ to take part in work-focused interviews. These regulations amend the upper age limit requiring a person claiming any one of a number of specified benefits to take part in a work-focused interview as described in the Social Security Administration Act 1992.

4.3 This instrument is needed in order to amend and increase the qualifying age for provisions in secondary legislation which are currently linked to female state pension age by reference to age 60.

4.4 The extension of the upper age limit of work-focused conditionality is a determining factor in ensuring that the maximum can be achieved when supporting a person into employment from equalising and extending state pension age e.g. Employment and Support Allowance regulations already make provision for the increase in state pension age.

4.5 If we do not increase the upper age limit for work-focused interviews the mandatory activity supporting people into work will not be available. If the changes to

regulations do not go ahead there will be a disparity for working age customers who have reached age 60 until a person reaches the age at which a woman can receive state pension.

5. Territorial Extent and Application

This instrument applies to Great Britain. Separate but corresponding provision will be made for Northern Ireland.

6. European Convention on Human Rights

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

7. Policy background

7.1 From April 2010 the process of equalising state pension age at 65 (under measures introduced by the Pension Act 1995) for both men and women will begin. The state pension age for women born between 6 April 1950 and 5 April 1955 will be between 60 and 65, depending on their date of birth. Women born before 6 April 1950 will continue to become eligible for their state pension at 60. Those born on or after 6 April 1955 will have the same state pension age as men. The Pensions Act 2007 provides for a phased extension of the state pension age for both men and women from 65 to 68 and will begin 2024 over a period to 2046.

7.2 The decision to equalise the state pension age at 65 between 2010 and 2020 was taken in the early 1990s and enacted in the Pensions Act 1995, providing a long lead-in time to allow those affected to adjust their plans. These include the measures introduced in the Pensions Act 2007 that are intended to accelerate the process of bringing about equal state pension outcomes between men and women, and increase the state pension age from 65 to 68 by the middle of the century.

7.3 From the outset, it was intended that the Government would extend opportunities for older workers and treat men and women between 60 and women's state pension age as active labour market participants when women's state pension age rises from 2010. The existing rules around benefit conditionality make provision for people to take part in compulsory work-focused activities up to age 59, where appropriate. Currently, all work-focused activities become voluntary once a person has reached age 60. Therefore, benefit conditionality, and the full range of mandatory programmes designed to help people return to work, will be gradually extended to men and women aged 60 to 64.

7. 4 This instrument provides a definition of 'pensionable age'. It means a man born before 6 April 1955 would reach 'pensionable age' when a woman born on the same day as the man reaches her new state pension age date.

- ***Consolidation***

7.5 Informal consolidation of this instrument will be included in due course in the Department's "the law relating to Social Security" (the Blue Volumes) which are available on the internet at: http://www.dwp.gov.uk/advisers/docs/lawvols/bluevol/

at no cost to the public.

8. Consultation outcome

8.1 These changes were initially consulted on in the Welfare Reform Green Paper 'No-one written off: reforming welfare to reward responsibility' in 2008, which proposed to change the law to allow people aged 60 and over access to the additional back to work support offered by a work-focused interview. In this document, the Government consulted on the next steps of welfare reform giving respondents the opportunity to comment on the work-focused regime for people aged 60 to 64.

8.2 Help the Aged welcomed the Government's commitment to increase employment opportunities for people aged 60 to 64 and to give them the same level of support as younger people.

8.3 Age Concern thought that the universal provision of work-focused interviews is valuable if it gives real access to training opportunities and workplace training, both in Government supported schemes and employer led schemes.

8.4 The Age and Employment Network (TAEN) welcomed the statement that the Government were committed to increasing their employment opportunities and that older people would be given the same support as is given to younger people looking for work.

8.5 No adverse comments were received on the proposals for work-focused interviews.

8.6 No additional consultation on the measures covered by this instrument has been undertaken as they are consequential to wider changes that were first proposed and consulted on in the Welfare Reform Act 2009.

9. Guidance

9.1 The processes for claiming working age benefits are not changing. This means for working age customers they will remain on a working age benefit for longer providing they continue to satisfy the conditions for receiving benefit.

9.2 A detailed awareness product providing details of all the changes is available for Jobcentre Plus operational staff. All guidance and forms will be amended to reflect the equalisation of state pension age changes for each benefit, products and services.

9.3 The equalisation changes means the Jobcentre Plus website, leaflets and other information products available to customers and customer focused groups are being updated to reflect the changes associated with state pension age equalisation. It is part of a wider programme of communications activity being taken forward to publicise the changes due to take effect from April 2010. Jobcentre Plus will contact working-age customers aged 50 and over to inform them of the changes affecting working-age benefits, programmes and services.

10. Impact

10.1 The impact on business, charities or voluntary bodies is nil.

10.2 The impact on public sector is negligible.

10.3 A full impact assessment has not been prepared for this instrument.

11. Regulating small business

The legislation does not apply to small business.

12. Monitoring & review

The impact of the age threshold changes on the numbers and characteristics of those affected will be monitored through the routine collection and publication of administrative data. DWP also commissions and publishes a wide range of qualitative and quantitative survey data.

13. Contact

Tracey Balm at the Department for Work and Pensions Tel: 0114 2943071 or email: tracey.balm@jobcentreplus.gsi.gov.uk can answer any queries regarding the instrument.