EXPLANATORY MEMORANDUM TO

THE UNIVERSAL CREDIT, PERSONAL INDEPENDENCE PAYMENT, JOBSEEKER'S ALLOWANCE AND EMPLOYMENT AND SUPPORT ALLOWANCE (CLAIMS AND PAYMENTS) (AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2026

S.R. 2026 No. 65

1. Introduction

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

1.2 This Statutory Rule is made under sections 5(1)(q) and (5) and sections 165(1), (4) and (5) of the Social Security Administration (Northern Ireland) Act 1992 and sections 15(1) and 60(2) of the Justice Act (Northern Ireland) 2016 and is subject to the negative resolution procedure.

2. Purpose

2.1 The Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) (Amendment and Modifications) Regulations (Northern Ireland) 2025 (S.R. 2025 No. 73) ("the 2025 Regulations") amended the regulated priority order (referred to in regulations as, "priority as between certain debts") to place the child support maintenance deduction at the top of the regulated priority order.

2.2 The 2025 Regulations contain a sunset clause meaning that the amendment to move the child support maintenance deduction to be the first named provision in the regulated priority order will cease to have effect from midnight on 30th April 2026.

2.3 This Rule will amend the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations (Northern Ireland) 2016 ("the 2016 Regulations") (S.R. 2016 No. 220), to permanently place the child support maintenance deduction as the first named provision in the regulated priority order.

2.4 This Rule will also amend the 2016 Regulations to omit paragraphs 3(2)(f) and 5(2)(f) of Schedule 5. These paragraphs cross refer to paragraph 11 of that Schedule which was omitted by the Child Support (Miscellaneous Amendments No.4) Regulations (Northern Ireland) 2019 (S.R. 2019 No.222).

2.5 This Rule also omits paragraph 5(2)(g) of Schedule 5 to the 2016 Regulations because the provision set out at this paragraph is being permanently moved to paragraph 5(2)(za).

3. Background

3.1 In the Autumn 2024 Budget, the UK Government announced plans to reduce the level of debt repayments that could be taken from a household's Universal Credit award each month. This was known as the "Fair Repayment Rate" measure which reduced the overall deductions cap from 25% to 15% of a claimant's Universal Credit standard

allowance. This measure was introduced from 30th April 2025. The Fair Repayment Rate enabled more Universal Credit households, with deductions, to retain more of their award to meet their day-to-day needs.

3.2 To prevent the Fair Repayment Rate leading to any reduction in the volume of child support maintenance deductions, the Department of Work and Pensions also temporarily moved these deductions higher up the regulated priority order for a period of 12 months, from 30th April 2025.

3.3 The current regulated priority order is set out at paragraph 5(2) of Schedule 5 to the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations (Northern Ireland) 2016.

3.4 Moving the child support maintenance deduction to be the first named provision in the regulated priority order, would not, in itself, have fully protected the number of child support maintenance deductions being made per month. This is because deductions, such as fraud penalties and repayment of Universal Credit Advances (known as last resort deductions), are taken before the priority order is applied. Therefore, for some Universal Credit households, the overall deductions cap of 15% will have already been reached prior to the child support maintenance deduction being made.

3.5 In light of paragraph 3.4, the Department for Communities deemed it necessary, where applicable, to allow for the child support maintenance deduction to be made, even where this resulted in the overall deductions cap of 15% being exceeded. This approach ensured the number of child support maintenance deductions made per month was fully maintained when the Fair Repayment Rate was introduced. The decision to exceed the overall deductions cap of 15%, in respect of a deduction for child support maintenance, did not require a regulatory change.

3.6 The Department for Work and Pensions has completed an analysis of the temporary change and determined that the primary policy objective, namely, ensuring that the number of child maintenance deductions does not decrease, has been achieved. The Department for Communities concurs with this assessment. As a result, the temporary policy will be made permanent from 30 April 2026.

3.7 If the child support maintenance deduction is not maintained as the first named provision in the regulated priority order on a permanent basis, there will be a reduction in the number of child support maintenance deductions made per month. This is because the child support maintenance deduction would revert to its former position in the regulated priority order when statutory rule 2025 No. 73 expires on 30th April 2026, at midnight.

3.8 The UK Government believes that all parents have an obligation to support their children and recognises the overall impact child support maintenance has in moving children out of poverty, therefore this statutory rule will amend the 2016 Regulations, to permanently place child maintenance deductions as the first named provision in the regulated priority order.

3.9 The Child Maintenance Service will notify claimants with a child maintenance liability that they will seek to collect child support maintenance via a deduction from benefit. Child Maintenance Service send a form to Universal Credit to request that a deduction, in respect of child support maintenance, is applied to a claimant's Universal Credit award. Once this deduction has been applied to a Universal Credit award, the claimant is notified via their Universal Credit online account. Claimants

are also advised to talk to Child Maintenance Service if they want to query this deduction.

3.10 The Department for Communities encourages anyone struggling to repay debts via their benefit award to contact Universal Credit via their Universal Credit online account or by calling the Universal Credit helpline at the earliest opportunity. The Department seeks to do as much as they are permitted to do to support claimants.

4. Consultation

4.1 As the Regulations 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, consultation with the Social Security Advisory Committee was not required.

4.2 A public consultation is not required as these Regulations merely implement a legislative amendment to reflect an agreed policy change.

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 the legislative proposals for these Regulations and has concluded that they do not have significant implications for equality of opportunity or good relations. In light of this, the Department considers that an Equality Impact Assessment is not necessary.

6. Regulatory Impact

6.1 These Regulations do not require a Regulatory Impact Assessment as there is no, or no significant, impact on costs to business, charities 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 has considered section 24 of the Northern Ireland Act 1998 and is satisfied that the Rule complies with that provision.

9. EU Implications

9.1 Not applicable.

10. Parity or Replicatory Measure

10.1 The corresponding Great Britain instrument is the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) (Amendment) Regulations 2026 which will come into force on 30th April 2026.

10.2 In line with the long-standing policy of parity in social security, the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) (Amendment) Regulations (Northern Ireland) 2026 will come into operation on 30th April 2026. 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.

11. Additional Information

11.1 Internal guidance for staff at the Department for Communities will be updated to take account of these changes.