

**EXPLANATORY MEMORANDUM
THE SOCIAL SECURITY BENEFITS UP-RATING REGULATIONS
(NORTHERN IRELAND) 2016**

S.R. 2016 No. 109

1. Introduction

- 1.1 This Explanatory Memorandum has been prepared by the Department for Social Development (“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 sections 113(1)(a) and 171(1), (3) and (4) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 and sections 135(3) and 165(1), (4) and (5) of the Social Security Administration (Northern Ireland) Act 1992 and is subject to the negative procedure.

2. Purpose

- 2.1 These Regulations contain only provisions in consequence of the Social Security Benefits Up-rating Order (Northern Ireland) 2016 (“the Up-Rating Order”) (S.R. 2016 No. 92) and are one of a series of statutory rules relating to the annual up-rating of social security benefits and pensions.
- 2.2 These Regulations provide that where a question has arisen about the effect of the Up-rating on a benefit already in payment that the altered rate will not apply until that question is determined in accordance with the provisions of the Social Security (Northern Ireland) Order 1998. This is in order to avoid incorrect payments of benefit where the increase or decrease is not payable, either in part or in full. The Regulations further apply the provisions of regulation 5 of the Social Security Benefit (Persons Abroad) Regulations (Northern Ireland) 1978 so as to restrict the application of the increases specified in the Up-rating Order in cases where the beneficiary lives abroad.
- 2.3 The Regulations also revoke similar provisions in the Social Security Benefits Up-rating Regulations (Northern Ireland) 2015 (“the 2015 Regulations”). However, it does not affect the remaining amendments made by regulations 4 to 6 in the 2015 Regulations. These are: the increases made to the earnings limit with Carer’s Allowance for each dependent child; and the increases to the amount allowed for personal expenses where someone is in accommodation for which part of that person’s benefit is paid direct to the person to whom charges in respect of that accommodation are payable.

3. Background

- 3.1 The Regulations are consequential on the Social Security Benefits Up-rating Order (Northern Ireland) 2016, which is made under section 132A of the Social Security Administration (Northern Ireland) Act 1992. This

Order covers earnings-indexed benefits, including the basic State Pension and the Pension Credit standard minimum guarantee.

- 3.2 Unlike in previous years, this Order does not cover those benefits specified in section 150 of the Social Security Administration Act 1992 including contributory, non-contributory and extra-costs disability benefits. The Secretary of State for Work and Pensions has determined that those benefits have maintained their value in relation to prices as measured by the Consumer Prices Index (CPI) over the 12-month period ending September 2015. Therefore, no Order has been laid in Great Britain, and consequently in Northern Ireland, to increase the rates of those benefits.

4. Consultation

- 4.1 Consultation with the Social Security Advisory Committee regarding these Regulations is not required.

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 these Regulations are consequential on the Up-rating Order, they do 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 These Regulations do not require a Regulatory Impact Assessment as they do 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 2016 up-rating is expected to increase the Department's annually managed expenditure by approximately £79 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 instrument is the Social Security Benefits Up-rating Regulations 2016 (S.I. 2016 No. 246). 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 Not applicable.