

EXPLANATORY MEMORANDUM
THE SOCIAL SECURITY BENEFITS (ADJUSTMENT OF AMOUNTS AND THRESHOLDS) REGULATIONS (NORTHERN IRELAND) 2016

S.R. 2016 No. 110

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 122(1)(a) and (d), 129A(2), 131(1) and 171(1), (3) and (4) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, Articles 6(5) and 36(1) and (2) of the Jobseekers (Northern Ireland) Order 1995, sections 2(3)(b), 3(7) and 12(2)(b) and (c) of the State Pension Credit Act (Northern Ireland) 2002 and sections 4(2) and 25(1) and (2) of the Welfare Reform Act (Northern Ireland) 2007 and is subject to the negative procedure.

2. Purpose

- 2.1 This Rule, one of a series of statutory rules relating to the annual up-rating of social security benefits and pensions, makes provision for the up-rating of amounts and thresholds of certain social security benefits. These include: increases to the pensioner premiums in working-age benefits; increases to the pensioner amounts in Housing Benefit; increases to non-dependent deductions; increases to the amount of the standard minimum guarantee in the case of a polygamous marriage in Pension Credit; and changes to the level of the savings credit threshold also in Pension Credit.

Pensioner premiums within working-age benefits

- 2.2 A draft Up-rating Order has been laid under section 132A of the Social Security Administration (Northern Ireland) Act 1992 to increase the rates of the standard minimum guarantee element of Pension Credit by the growth in earnings at 2.9 per cent. The rate for single people is increased from £151.20 to £155.60 per week. The rate for couples is increased from £230.85 to £237.55 per week.
- 2.3 To retain parity between Pension Credit and working-age benefits for those over the age of Pension Credit entitlement, the premiums for pensioners are increased by the cash increase for the standard minimum guarantee element of Pension Credit. These working age benefits include Jobseeker’s Allowance, Employment and Support Allowance and Income Support. For single people, the rise in the premiums is £4.40 per week. For couples, the rise in the premiums is £6.70 per week.

Pensioner amounts within Housing Benefit

- 2.4 To retain parity between the rates of Pension Credit and Housing Benefit, the personal allowances for pensioners are increased according to the changes to the standard minimum guarantee element and the savings credit element of Pension Credit.
- 2.5 For single people who have attained the qualifying age for Pension Credit but are under 65, the personal allowance is increased from £151.20 to £155.60 per week. For couples where one or both have attained the qualifying age for Pension Credit but both are under 65, the personal allowance is increased from £230.85 to £237.55 per week.
- 2.6 For single people aged 65 or over, the personal allowance is increased from £166.05 to £168.70 per week. For couples where one or both are aged 65 or over, the personal allowance is increased from £248.30 to £252.30 per week.
- 2.7 For a claimant and the other party to a polygamous marriage in which none of the members of the marriage have attained the age of 65, the personal allowance is increased from £230.85 to £237.55 per week and the additional amount for each additional spouse who is a member of the same household as the claimant is increased from £79.65 to £81.95 per week.
- 2.8 For a claimant and the other party to a polygamous marriage in which one or more of the marriage are aged 65 or over, the personal allowance is increased from £248.30 to £252.30 per week and the additional amount for each additional spouse who is a member of the same household as the claimant is increased from £82.25 to £83.60 per week.

Polygamous marriage amounts within Pension Credit

- 2.9 To retain parity within Pension Credit between couples and members of polygamous marriages, the amount of the standard minimum guarantee for claimants and first spouses in polygamous marriages is increased from £230.85 to £237.55 per week and the additional amount for each additional spouse is increased from £79.65 to £81.95 per week.

Non-dependent deductions

- 2.10 The income bands which determine the level of non-dependent deductions within Housing Benefit and benefits that include Support for Mortgage Interest are up-rated in line with earnings at 2.92%.
- 2.11 The amounts of the non-dependant deductions are up-rated by 0.75%.

Pension Credit savings credit thresholds

- 2.12 The amount prescribed for the savings credit thresholds is increased from £126.50 to £133.82 for a claimant with no partner and from £201.80 to £212.97 for a claimant with a partner. The savings credit threshold is also increased for cases of polygamous marriage.

- 2.13 For those pensioners with qualifying income above the level of the savings credit threshold, this would set the Savings Credit maximum at £13.07 per week for single people and at £14.75 for couples.

3. Background

- 3.1 In previous years, the up-rating of these rates and thresholds have been covered by an Up-rating Order laid under section 132 of the Social Security Administration (Northern Ireland) Act 1992. This year, the Secretary of State for Work and Pensions in GB has determined that benefits specified in section 150 of the Social Security Administration Act 1992, including contributory, non-contributory and extra-costs disability 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.
- 3.2 These regulations use alternative powers from the up-rating provisions to deliver the policy intent.

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 only alter the amounts and thresholds of certain benefits and do not change the conditions for the receipt of benefits, 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 (Adjustment of Amounts and Thresholds) Regulations 2016 (S.I. 2016 No. 242). 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.