

EXPLANATORY MEMORANDUM TO

The Social Security (Invalid Care Allowance) (Amendment) Regulations (Northern Ireland) 2017

S.R. 2017 No. 67

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. The Statutory Rule is made under sections 70(8) and 171(1) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 and is subject to the negative resolution procedure.

2. Purpose

- 2.1. These Regulations amend the Social Security (Invalid Care Allowance) Regulations (Northern Ireland) 1976 to increase, from £110 to £116, the amount of weekly earnings that a person can receive before being treated as gainfully employed for the purposes of entitlement to carer's allowance.

3. Background

- 3.1. The main purpose of Carer's Allowance is to provide a measure of financial support and recognition for people who provide regular and substantial care for a severely disabled person, and whose ability to undertake paid employment is reduced as a result.
- 3.2. Although it was originally intended to compensate for lost earnings, as flexible working becomes more widely available, and technology develops to assist with caring, it is increasingly important to allow carers to balance their caring responsibilities with paid employment. This includes carers for whom undertaking a small amount of paid employment builds their confidence to increase their hours and earnings once their caring responsibilities end.
- 3.3. The earnings limit in Carer's Allowance is set out in regulation 8(1) of the Social Security (Invalid Care Allowance) Regulations (Northern Ireland) 1976. The earnings limit was last increased in April 2015 to £110 a week. The earnings figure is net, so for example, a carer who earns £121 gross a week who pays £10 a week into a pension, would be allowed 50 per cent (£5) of their pension contribution against their gross wages, bringing the total down to £116. Other allowable expenses include tax, National Insurance and alternative care costs (up to 50 per cent of the net earnings figure) for the disabled person whilst the carer is at work.
- 3.4. A number of factors are taken into account when considering the Carer's Allowance earnings limit, including changes to wages and work incentives. For 2017 the earnings limit is being increased by £6, which is a 5 per cent rise since the last increase in 2015, which is greater than the average wage increases over this period.

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 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 on proposals for these Regulations and concluded that they do not have significant implications for equality of opportunity. In light of this, the Department considered 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, social enterprises or voluntary bodies.

7. Financial Implications

- 7.1. Any increase in benefit expenditure or administration costs will depend on the number of individuals who may qualify for Carer's Allowance as a result of the new earnings limit. As the number of individuals expected to benefit in Northern Ireland is anticipated to be low any increase in benefit expenditure or administration costs is likely to be minimal.

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 Regulations are the Social Security (Invalid Care Allowance) (Amendment) Regulations 2017 and come into force on 10th April 2017. 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. It was, therefore necessary to make the Regulations during the period of interregnum.

11. Additional Information

11.1. Not applicable.