
DRAFT STATUTORY INSTRUMENTS

2015 No.

The Welfare Reform (Northern Ireland) Order 2015

PART 6

Social security: general

Benefit cap

Benefit cap

101.—(1) Regulations may provide for a benefit cap to be applied to the welfare benefits to which a single person or couple is entitled.

(2) For the purposes of this Article, applying a benefit cap to welfare benefits means securing that, where a single person's or couple's total entitlement to welfare benefits in respect of the reference period exceeds the relevant amount, their entitlement to welfare benefits in respect of any period of the same duration as the reference period is reduced by an amount up to or equalling the excess.

(3) In paragraph (2) the "reference period" means a period of a prescribed duration.

(4) Regulations under this Article may in particular—

- (a) make provision as to the manner in which total entitlement to welfare benefits for any period, or the amount of any reduction, is to be determined;
- (b) make provision as to the welfare benefit or benefits from which a reduction is to be made;
- (c) provide for exceptions to the application of the benefit cap;
- (d) make provision as to the intervals at which the benefit cap is to be applied;
- (e) make provision as to the relationship between application of the benefit cap and any other reduction in respect of a welfare benefit;
- (f) provide that where in consequence of a change in the relevant amount, entitlement to a welfare benefit increases or decreases, that increase or decrease has effect without any further decision of the Department;
- (g) make supplementary and consequential provision.

(5) In this Article the "relevant amount" is an amount specified in regulations.

(6) The amount specified under paragraph (5) is to be determined by reference to estimated average earnings.

(7) In this Article—

"couple" means two persons of a prescribed description;

"estimated average earnings" has the same meaning as in section 96 of the Welfare Reform Act 2012;

"single person" means a person who is not a member of a couple;

"welfare benefit" means any prescribed benefit, allowance, payment or credit.

- (8) Regulations under paragraph (7) may not prescribe as welfare benefits—
 - (a) state pension under Part 1 of the Pensions Act (Northern Ireland) 2015,
 - (b) state pension credit under the State Pension Credit Act (Northern Ireland) 2002, or
 - (c) retirement pensions under Part 2 or 3 of the Contributions and Benefits Act.