EXPLANATORY MEMORANDUM TO

THE SOCIAL SECURITY (STATE PENSION AND NATIONAL INSURANCE CREDITS) REGULATIONS 2009

2009 No. 2206

1. This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

2. Purpose of this Instrument

2.1. This instrument makes amendments of existing legislation consequential to changes to the state pension scheme introduced by the Pensions Acts of 1995 and 2007 which begin to take effect from 6 April 2010. In particular, the amendments:

- specify the amount of basic state pension a person is entitled to if he does not satisfy the new contribution condition in full;
- provide for the gradual phasing-out of automatic National Insurance credits for men who are within five years of state pension age; and
- provide for men and women to be treated equally with respect to the calculation and inheritance of graduated retirement benefit.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1. None.

4. Legislative Context

4.1. The legislative basis for the state pension scheme is set out in the Social Security Contributions and Benefits Act 1992, supplemented by regulations. The state pension provisions in that Act were extensively amended by Part 1 of the Pensions Act 2007. Under the restructured scheme, from 6 April 2010:

- the contribution conditions for a full basic pension will be streamlined and the qualifying threshold lowered for people reaching state pension age on or after that date;
- a new weekly National Insurance credit for parents and carers will replace the existing arrangements for recognising caring responsibilities (home responsibilities protection), and each complete tax year of home responsibilities protection built up before 6 April 2010 will be converted into a year's worth of the new credits;
- a married person or civil partner will be able to make an independent choice about when to claim a pension based on the National Insurance record of their spouse or civil partner; and
- the way the state second pension builds up will be simplified.[1]

4.2. As a consequence, provisions in the following Regulations need to be amended, and new provisions inserted, to underpin the changes outlined above:

- The Social Security (Credits) Regulations 1975 ("the Credits Regulations");

[1] The 2007 Act also provides for the basic state pension to be uprated in line with average earnings from a future date to be designated by Order, the increase payable with the state pension for a dependent adult to be abolished and the state pension age to increase to 68 between 2024 and 2046.

- The Social Security (Widow's Benefit and Retirement Pensions) Regulations 1979 ("the Widow's Benefit and Retirement Pensions Regulations");
- The Social Security (Widow's Benefit, Retirement Pensions and Other Benefits) (Transitional) Regulations 1979 ("the Transitional Regulations"); and
- The Additional Pension and Social Security (Home Responsibilities) (Amendment) Regulations 2001 ("the Additional Pension Regulations").

4.3. We plan to publish a further set of regulations in October 2009. Those Regulations, which are subject to the affirmative resolution procedure, specify the circumstances in which a person is treated as "engaged in caring" for the purposes of eligibility for the new contribution credit for carers, and make associated provisions.

4.4. This instrument also makes substantive changes linked to the Pensions Act 1995. The Credits Regulations are amended to phase out the availability of automatic National Insurance credits for men, in line with the gradual increase in women's state pension age from 60 to 65 between 2010 and 2020, enacted by that Act. The 1995 Act also provided the power to amend sections 36 and 37 of the National Insurance Act 1965 (continued in force by the Social Security (Graduated Retirement Benefit) (No. 2) Regulations 1978) to enable graduated contributions paid by women to be converted into weekly entitlement on the same basis as for men, and to equalise provision in respect of "inheritable" graduated retirement benefit. This instrument makes those amendments to take effect at the same time as the equalisation measures enacted by the 1995 Act are implemented in the main state pension scheme.

4.5. Regulations 2 to 4, 12, 19 to 21 and 23 to 27 make amendments using powers which are being used for the first time.

5. Territorial Extent and Application

5.1. This instrument applies to Great Britain. Separate but corresponding provision will be made for Northern Ireland.

6. European Convention on Human Rights

The Rt. Hon. Angela Eagle has made the following statement regarding Human Rights:

"In my view, the provisions made by the Social Security (State Pension and National Insurance Credits) Regulations 2009 are compatible with the Convention rights."

7. Policy Background

- ***What is being done and why***

State Pension reform

7.1. The Government set out its aims for pensions reform in its May 2006 White Paper *"Security in retirement: towards a new pensions system"* (Cm 6841).[2] The changes enacted by the Pensions Act 2007 are intended to make the state pension fairer, simpler and more generous, so that it can provide a solid foundation on which people can save for their retirement.

[2] The White Paper can be accessed at: http://www.dwp.gov.uk/policy/pensions-reform/security-in-retirement/

7.2. This instrument makes consequential amendments and transitional provisions relating to the elements of the 2007 Act changes outlined at paragraph 4.1. The more significant of these are described in the following paragraphs.

Provisions relating to the new contribution condition

i) Rate of pension when contribution condition not met in full

7.3. Currently, a person needs to satisfy two contribution conditions to qualify for a full basic state pension. First, they need to have at least one qualifying year derived solely from paid National Insurance contributions. Second, they need to have qualifying years from paid or credited contributions for around 90% of their working life. This means a woman currently needs 39 qualifying years and a man needs 44 for a full basic State Pension. If this second condition is not met, a reduced rate of basic pension is payable provided the person has qualifying years for at least 25% of their working life (10 years for a woman and 11 years for a man). Provision for the reduced rate is made in the Widow's Benefit and Retirement Pensions Regulations.

7.4. The Pensions Act 2007 replaces the first and second conditions with a single condition for people reaching state pension age on or after 6 April 2010. Under the new condition, they will need only 30 qualifying years for a full basic state pension and the requirement to have at least one year from paid contributions is abolished. Paid and credited contributions will therefore have equal value so that the contribution made by people undertaking caring responsibilities is recognised in the same way as contributions from paid work.

7.5. The new contribution condition (coupled with the reforms of the crediting arrangements for carers – see paragraph 7.13) is expected to improve basic state pension outcomes, in particular for women. We estimate that the proportion of women who will qualify for a full basic pension in 2010/11 will be around 75% compared to only half without the change; this proportion is expected to increase to over 90% of women reaching state pension age in 2025, compared to around 80% without reform. Outcomes for men will also improve but mainly in the longer term: we estimate that around 95% of men reaching state pension age in 2010 are on track for a full basic pension compared to 90% without reform; by 2025, the proportion is still expected to be over 90%, although without reform it was expected to have fallen back to around 75%.[3]

7.6. For those who do not meet the new condition in full, the proportion of basic pension they will be entitled to will be specified in regulations. This instrument inserts a new regulation in the Widow's Benefit and Retirement Pensions Regulations to provide that people who have fewer than 30 qualifying years will be entitled to a basic pension of 1/30th of the weekly rate for each qualifying year they have built up. As a further measure to simplify the scheme, the 25% de-minimus rule will no longer apply.

[3] The projected reduction, by 2025, in the proportion of men with the full 44 qualifying years needed under the current system is due to a number of factors including increasing numbers spending longer in full-time education and joining the labour market later and/or taking mid-career breaks.

ii) Modification of the substitution provisions

7.7. In certain circumstances specified in regulations, the National Insurance record of a person's former spouse or civil partner can be substituted for their own if this would enable them to qualify for a higher rate of basic state pension.

7.8. Currently, where both parties are over state pension age when they divorce or their civil partnership is dissolved, a beneficiary will always qualify for a full basic state pension under the substitution rules if their former spouse or civil partner was entitled to a full basic state pension. However, under the new 30 year contribution condition, a beneficiary in exactly the same situation could end up with less than a full basic state pension when the substitution provisions are applied.

7.9. This is a temporary anomaly which is due to the fact that 30 qualifying years will constitute a smaller proportion of a man's working life than a woman's until the state pension age is equalised at 65 in 2020.[4] In broad terms, the substitution rules work by determining what proportion of the former spouse's working life up to the end of the marriage consists of qualifying years and then deeming the same proportion of either the beneficiary's working life up to the end of the marriage, or the period of the marriage itself, to be qualifying years. So in the case of a couple who divorce after pension age, if the man had only 30 qualifying years (61% of his working life) and his former wife reaches pension age before May 2011 so has a working life of 44 years, she would get only 27 years under substitution. This instrument inserts a new regulation in the Widow's Benefit and Retirement Pensions Regulations which removes this anomaly by automatically treating a beneficiary whose marriage or civil partnership ends in the circumstances described above as having 30 qualifying years.

7.10. In practice we expect that only a small number of potential beneficiaries will get a higher rate of basic pension than they would have received anyway without this modification (since, among other reasons, most men are likely to have more than 30 qualifying years in their working life). However, the new provision also has value in the longer term as a modest simplification measure, as it does away with the need for the more complex calculation that would otherwise be required and which would, in this type of case, have the same result once pension ages are equalised.

iii) Treatment of NI contributions paid or credited before 6 April 1975

7.11. The contribution conditions for a basic state pension in their current form date from 1975, when earnings-related National Insurance contributions were introduced to replace the former, flat-rate system. Before 6 April 1975, a person's state pension entitlement was established by reference to the yearly average of the contributions they had paid, or been credited with, over their working life. From 6 April 1975, entitlement depends on the number of "qualifying years" in the working life; that is, the number of tax years in which the requisite amount of contributions have been paid or credited. The Transitional Regulations provide the formula for converting pre-1975 contributions into qualifying years for the purposes of the contribution conditions applying to people reaching state pension age from 6 April 1975 onwards.

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[4] The "working life" runs from the tax year in which a person reaches 16 to the tax year before they reach state pension age. A man's working life is 49 years. Women reaching pension age between 2010 and 2020 will have a working life of between 44 and 49 years.

7.12. Under the new contribution condition that will apply to people reaching pension age on or after 6 April 2010, the number of qualifying years needed to qualify for a full basic pension is reduced, but the definition of qualifying year itself is unchanged. We do not therefore need to disturb the existing method of converting pre-1975 contributions into qualifying years, but we need to provide for those qualifying years to count towards satisfying the new 30 year test, since the first cohort of people whose entire working lives started on or after 6 April 1975 does not reach state pension age until 2024. This instrument simply inserts references to the new contribution condition in the Transitional Regulations to that effect.

Provisions relating to credits derived from years of home responsibilities protection

7.13. Currently, a person who is responsible for looking after a child or a disabled adult for a complete tax year can qualify for home responsibilities protection ("HRP") for that year to help them satisfy the second contribution condition for their basic state pension (or bereavement benefits for their surviving spouse or civil partner) . HRP was introduced in 1978 to help those whose caring responsibilities limit their opportunity to build up qualifying years through paid work. It works by reducing the number of qualifying years a person needs for a full basic pension. From 6 April 2010, HRP will be replaced by a more flexible system of weekly credits which will be available to parents of children under 12, foster parents and carers providing care for 20 hours a week or more. Complete years of HRP up to that point, up to a maximum of 22, will be converted into credits.

7.14. As explained in paragraph 4.3 above, substantive new regulations are required to define who is to be treated as "engaged in caring" for the purposes of the new credit. The amendments made by this instrument relating to these new crediting arrangements simply delete existing references in the Widow's Benefit and Retirement Pensions regulations to "home responsibilities years" and make transitional provisions.

7.15. Under these transitional rules, the deleted provisions are preserved for the purposes of determining entitlement to state pension or bereavement benefit on or after 6 April 2010 where the contributor or person concerned reaches state pension age or dies before that date and is therefore subject to the pre- 6 April 2010 conditions. A further transitional provision prevents a former spouse's or civil partner's converted HRP years from counting as qualifying years for the purposes of the substitution calculation (see paragraph 7.9 above) in a case where the marriage or civil partnership ended before 6 April 2010. This is for consistency with the rules on state pension entitlement for a surviving spouse or civil partner, where converted HRP years would only be included if the death occurred on or after that date.

Provisions relating to basic state pension for a married person/ civil partner

7.16. A married woman whose National Insurance record is deficient can receive a state pension of up to £57.05 (April 2009 rates) based on her husband's contributions. Currently, her entitlement to such a pension is conditional on her husband having claimed his state pension. The Pensions Act 2007 removes this condition so that, provided he has reached state pension age, his wife will be able to make an independent claim for a pension based on his record, even if he has chosen to defer his own state pension. This change takes effect from 6 April 2010 for both new and existing awards; over time it will also apply to married men and civil partners, who, under provisions

introduced by the Pensions Act 1995 and the Civil Partnership Act 2004 respectively, will be able to claim a state pension based on a wife's or partner's record provided the wife or partner was born on or after 6 April 1950 and has reached state pension age.

7.17. As a consequence, a husband's decision to defer his state pension no longer means that his wife's state pension based on his record is automatically deferred as well. This instrument removes the provisions in the Widow's Benefit and Retirement Pensions regulations which relate to the dependence of a wife's state pension on her husband's deferment, which are made redundant by this change.

Provisions relating to the changes to the state second pension

i) Calculation of state second pension for persons with mixed employments in same tax year

7.18. Since 1978, employees whose earnings in a given year exceed the level needed to make that year a qualifying year for the basic pension have been able to build up additional state pension on their excess earnings. Originally referred to as the state earnings-related pension scheme, or SERPS, since 2002, when the additional state pension was reformed to make it more generous for people on lower earnings and to extend access to certain carers and people who are long-term sick, it has been known as the state second pension, or S2P.

7.19. Under S2P, the excess earnings are split into three bands which build up additional pension at different rates, on a cumulative basis. Earnings in band 1 (£4,940 to £13,900) accrue S2P at 40%; those in band 2 (£13,901 to £31,800) at 10% and those in band 3 (£31,801 to £40,040), 20%.[5] As a further boost for lower earners, all earnings in band 1 are treated as if they are earnings at the band maximum. Under the changes introduced by the Pensions Act 2007, this accrual structure will be simplified in two stages. Stage one takes effect from 6 April 2010, when earnings bands two and three will be merged and accrue S2P at the band two rate (10%). Stage two will take effect from a date to be designated by Order (the working assumption is that this will be the tax year 2012/13), when the current calculation of S2P accruals in respect of band 1 earnings will be replaced with a simple flat-rate weekly amount.

7.20. The primary legislation sets out the method of calculating additional pension for people who are in either contracted-in or contracted-out employment for the whole tax year. (A person in contracted-out employment contributes to a private pension scheme that undertakes to provide pension rights in place of the additional state pension. In exchange, they pay a reduced rate of National Insurance. They can still build up S2P because a person's contracted-out scheme benefits are calculated by reference to the accrual rates that applied under SERPS. If they are on low earnings, they may qualify for some S2P in addition to their contracted-out scheme benefits through the more generous accrual rates and low earnings boost available in S2P.)

7.21. The method of calculating S2P where a person has been in both contracted-in and contracted-out employments within the same tax year is set out in the Additional Pension Regulations. This instrument amends those provisions to provide the calculation routine that will apply from the start of the flat-rate introduction year for this group of employees. It also makes minor amendments that are needed as a consequence

[5] Earnings band limits for tax year 2009/10.

of changes to arrangements for contracting-out of the additional state pension. Under the 2007 Act, contracting-out for private pension schemes that contract out of the state scheme on a defined contribution (also known as money purchase) basis will be abolished. The abolition date is yet to be specified but is expected to coincide with the start of the flat-rate introduction year.

7.22. The Additional Pensions Regulations also provide that where a person who has been contracted-out has "bought back" into the state scheme via a contribution equivalent premium (CEP) their S2P is to be calculated as if they had not been contracted-out. As a consequence of the introduction of the simplified S2P calculation from the flat-rate introduction year, the relevant provision is amended by this instrument, in order to bring in people covered by CEPs.

7.23. These amendments will take effect only from when the flat-rating provisions become operative.

ii) State second pension credits for persons entitled to Employment and Support Allowance

7.24. As part of the Government's aim of improving coverage of S2P, the current arrangements which enable certain parents, carers and people who are long-term sick or disabled to build up S2P will be made less restrictive. At the moment, people are only credited into S2P for each complete tax year during which they satisfy the relevant condition. This means that a person who moved off Incapacity Benefit into work part-way through the tax year would lose a year's worth of S2P accrual unless his earnings for the part-year were at or above the minimum annual threshold for that year (£4,940 in 2009/10). The Pensions Act 2007 replaces these arrangements so that from 6 April 2010 onwards, people will qualify for credits on a weekly basis and will be able to build up S2P by combining earnings and credits or by combining credits for different qualifying conditions during the same tax year.

7.25. One of the qualifying conditions for these new "earnings factor credits" is receipt of long-term Incapacity Benefit. Long-term Incapacity Benefit is payable after 52 weeks' incapacity and is reinstated after a break in claim if the period of incapacity is treated as continuous under linking rules. People with underlying entitlement (ie. people who are providing evidence of incapacity but who do not receive benefit because they do not meet the contribution conditions or they receive payments from a pension scheme) are also covered. This instrument inserts a new provision in the Additional Pension Regulations to extend the new S2P crediting arrangements to people claiming Employment and Support Allowance (ESA) on broadly the same terms. (ESA replaced Incapacity Benefit and Income Support for people unable to work due to sickness for new claims from October 2008. [6])

7.26. Under the new provision, people will start to build up weekly S2P credits once they have been in receipt of ESA (or have had underlying entitlement) for 52 weeks, whether consecutive or linked. This mirrors the provision for those entitled to long-term Incapacity Benefit. In addition, people will be credited into S2P for each week in which they are eligible for the ESA "support component". The support component normally

[6] The current provisions which enable people who are long-term sick to build up S2P prior to April 2010, contained in section 44A of the Contributions and Benefits Act, were extended to ESA recipients by regulation 27 of the Employment and Support Allowance (Consequential Provisions) (No. 2) Regulations 2008.

becomes payable after 13 weeks and applies to people who are assessed as belonging to the support group – ie those with more limiting conditions who are not required to engage in work-related activity. The new regulation also provides for people who qualify for ESA immediately following a period of entitlement to Statutory Sick Pay to qualify for credits after 13 weeks of ESA entitlement. This provision is limited to older workers who, without this provision, could have lost out in comparison to the position under Incapacity Benefit. Younger workers are expected to have any S2P shortfall made up through uprating the basic pension in line with earnings (see footnote 1).

State Pension equalisation

7.27. The remaining measures in this instrument stem from the Pensions Act 1995, which provided for the progressive equalisation of state pension age as between men and women over ten years starting in April 2010, and the removal of unequal treatment in relation to state pension benefits derived from the contributions of a spouse.

Equalisation of Graduated Retirement Benefit

7.28. The graduated retirement benefit ("GRB") scheme was a forerunner of the state earnings-related pension scheme, and ran from 1961 to 1975. A person's graduated contributions bought GRB units which are converted into weekly entitlement at state pension age. A GRB unit is currently worth 11.53 pence, at April 2009 rates. The cost of a GRB unit was set at £9.00 for women and £7.50 for men; thus, a woman currently receives 80% of the GRB payable to a man for the same amount of contributions. This difference in treatment was intended to recognise the fact that women would, on average, draw their pension for longer than men because they reach state pension age five years earlier and tend to live longer.

7.29. As part of the package of measures designed to remove remaining differences in treatment between men and women in the state pension scheme, power was taken in the Pensions Act 1995 to enable regulations equalising GRB to be made.

7.30. This instrument amends the National Insurance Act 1965 to provide (in effect) that GRB awarded to women reaching state pension age after 5 April 2010 will be calculated on the same basis as for men. The cohorts of women who will benefit from removing the current unequal treatment are therefore those who will gradually lose the advantage of being able to draw their state pension earlier than men (the main justification for the original difference in treatment under the GRB scheme). We estimate that around one and a half million women will gain from this change although the impact individually will be minimal because of the relatively low levels of accruals: over half of those women who would see an increase will gain only one extra GRB unit. The change does however mean that everyone reaching pension age on or after 6 April 2010 will be treated the same irrespective of gender, so simplifying the current system as well as promoting equal treatment.

7.31. This instrument also amends the inheritance provisions. At present, a widower or surviving civil partner is entitled to half a late spouse's or partner's GRB only if both members of the couple were over state pension age at the date of death. A widow may also inherit GRB if she (or her late husband) was under state pension age when he died, provided that, if widowed under pension age, she does not remarry or enter a civil partnership before reaching that age. The amendments replace the existing, separate

provisions for widows, widowers and surviving civil partners with a common provision for all survivors who reach state pension age on or after 6 April 2010 and saves the current rules for those reaching that age before that date. The effect is to extend to widowers and surviving civil partners who reach state pension age on or after 6 April 2010 the same rights that currently apply to widows.

7.32. These changes are also likely to have only a limited effect, because the amounts involved are relatively small and, since the great majority of people live beyond pension age, the new rights largely relate to atypical circumstances. These changes are being made mainly for consistency with the inheritance rules in the main state pension scheme, which will also be fully equalised in respect of survivors reaching pension age from 6 April 2010 under provisions made by the Pensions Act 1995.

Phased withdrawal of "autocredits"

7.33. Since 1983, National Insurance credits have been automatically available to men to make up any deficiencies in their record in the five tax years before the year in which they reach state pension age. "Autocredits" were introduced alongside changes that meant that men were no longer required to be available for work as a condition for receiving benefit once they reached age 60 (ie. the age at which women become eligible for the state pension). Autocredits protect a man's basic state pension position during these five years if he is not working and paying National Insurance or entitled to credits for other reasons such as registered unemployed, sick, or a carer.

7.34. When the Government published its plans for state pension age equalisation in 1993, the intention then was that as women's pension age increased gradually to 65, autocredits would become available to them on the same basis as for men. This was in part to compensate for the increase in the number of years women would otherwise have to pay National Insurance contributions for in order to qualify for a full basic pension.

7.35. This approach has since been reviewed, for two reasons. Firstly, the qualifying age for Pension Credit (the income-related benefit currently payable to men and women at 60 without jobseeking conditions attached) is set to increase to 65 by 2020 in line with female state pension age. Men claiming Jobseeker's Allowance or Employment and Support Allowance will no longer have the option of switching to Pension Credit in the run-up to state pension age and will continue to receive a credit through receipt of those benefits instead. Without the proposed change, autocredits would increasingly apply mainly to people who could afford not to work or claim benefit. Secondly, the reduction in the number of qualifying years needed for a full basic pension to 30 and the improvements in the crediting arrangements for carers under the measures introduced by the Pensions Act 2007 will mean that the need for autocredits to protect state pension entitlement will be significantly reduced. (Those who would have benefited from autocredits had they been available will still have the option of paying voluntary National Insurance contributions to make up "missing years".)

7.36. This instrument amends the Credits Regulations to provide that autocredits will be available to men only for the tax years in which they have reached what would be pension age for a woman of the same age, up to and including the last tax year before the one in which they reach age 65. Men born on 6 October 1954 or later, who will reach both female pension age and their own state pension age in the same tax year, will not qualify for the credits.

- ***Consolidation***

7.37. There are no immediate plans to consolidate the regulations as amended by this instrument. Informal consolidation will be provided by way of "The Law Relating to Social Security" (Blue Volumes), available on line free of charge to the public at http://www.dwp.gov.uk/publications/specialist-guides/law-volumes/the-law-relating-to-social-security/ .

8. Consultation outcome

8.1. Formal consultation on the Government's proposals for pension reform, as set out in the White Paper *"Security in Retirement: towards a new pensions system"*[7] ran from May to September 2006. The Government's response to the consultation was published in October 2006 (Cm 6960). There was broad support for the proposals, which substantially implement the recommendations made by the independent Pensions Commission in its second report, published in November 2005. A wide-ranging national public debate on the future direction of UK pensions policy was launched in February 2005, culminating in March 2006. The Government has continued to work with stakeholders to maintain the high level of consensus on the reform proposals built up before, during and since the passage of the 2007 Pensions Act.

8.2. The proposal to phase out autocredits was also included in the pension reform White Paper, and attracted no adverse comment. No formal consultation on the proposals to equalise graduated retirement benefit provision has been undertaken as it is a minor measure in terms of its impact (and, as a measure originating in the Pensions Act 1995, it has already been publicised in leaflets and guides published by the Department). However, informal discussions have taken place with a number of key external stakeholders to raise awareness of the forthcoming changes to social security benefits arising from state pension age equalisation more widely, including the changes to the GRB rules. No specific issues relating to the GRB proposals were raised during those discussions.

8.3. The proposals contained in this instrument were submitted to the Social Security Advisory Committee for consideration in November 2008. The Committee decided that it did not require the regulations to be formally referred to it and, accordingly, it did not conduct a public consultation exercise on the proposals.

9. Guidance

9.1. The Department has adopted a two-phased strategy for communicating the changes relating to pension reform and equalisation. In the short term, activity has focused on ensuring that information available to customers in our leaflets and on the website accurately reflects the forthcoming changes. The longer term communication strategy focuses more on developing messages specifically targeted at individual audience groups who, as a result of the changes, will need to take a particular course of action. This entails segmenting the audience according to how they will be affected by the reforms and tailoring the method of communication to maximise the reach and impact of messages specific to each group. This activity is supported by information for benefits and pension advisers available on the DWP website.

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[7] See footnote 2 for a link to the White Paper

10. Impact

10.1. The impact on business, charities and voluntary bodies is nil.

10.2. The impact on the public sector of the proposals contained in this instrument is negligible.

10.3. A full Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1. The legislation does not apply to small business.

12. Monitoring and review

12.1. The effect of these changes, which form part of the overall state pension reform and equalisation changes, will be monitored through analysis of administrative data, surveys and other sources.

13. Contact

Helen Gadd at the Department for Work and Pensions (Telephone number 020 7712 2569 or email: Helen.Gadd@dwp.gsi.gov.uk) can answer any queries regarding this instrument.