
STATUTORY INSTRUMENTS

2013 No. 2980

AGE-RELATED PAYMENTS

The Age-Related Payments Regulations 2013

Made - - - - 27th November 2013

Coming into force in accordance with regulation 1(1)

The Treasury make the following Regulations in exercise of the powers conferred by section 7(1), (1A), (2) and (3) of the Age-Related Payments Act 2004⁽¹⁾, now vested in them by the Transfer of Functions (Age-Related Payments) Order 2013⁽²⁾.

In accordance with section 7(4)(b) of the Age-Related Payments Act 2004, a draft of these Regulations has been laid before Parliament and approved by a resolution of each House of Parliament.

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Age-Related Payments Regulations 2013 and come into force on the day after the day on which they are made.

(2) In these Regulations—

“Equitable Life” means the Equitable Life Assurance Society;

“individual with-profits annuity policy” means a contract of insurance purchased from Equitable Life on or before 31st August 1992 and in force on 20th March 2013, under which—

- (a) the financial benefit is an annuity payment,
- (b) there is only one person eligible to receive a financial benefit under the contract,
- (c) that person is an individual, and
- (d) that person is eligible to receive that financial benefit at the discretion of the insurer;

“joint with-profits annuity policy” means a contract of insurance purchased from Equitable Life on or before 31st August 1992 and in force on 20th March 2013, under which—

- (a) the financial benefit is an annuity payment,
- (b) there is more than one person eligible to receive a financial benefit under the contract,
- (c) each person eligible to receive a financial benefit under the contract is an individual, and

(1) 2004 c.10. Section 7(1A) was inserted by S.I. 2013/1442.

(2) S.I. 2013/1442.

(d) each person eligible to receive a financial benefit under the contract is eligible to receive that financial benefit at the discretion of the insurer;

“Prudential” means the Prudential Assurance Company Limited (company registered number 15454);

“qualifying Equitable Life annuitant” means an individual who, on 20th March 2013—

- (a) was alive;
- (b) had attained the age of 60 years; and
- (c) was eligible to receive an annuity payment from Prudential under a relevant with-profits annuity policy;

“relevant with-profits annuity policy” means an individual with-profits annuity policy or a joint with-profits annuity policy.

Entitlement: payments to qualifying Equitable Life annuitants

2.—(1) A qualifying Equitable Life annuitant (“A”) is entitled to a payment of £5000 under this regulation.

(2) A is not entitled to more than one payment under paragraph (1) regardless of the number of relevant with-profits annuity policies under which A is eligible to receive an annuity payment.

(3) In the case of a joint with-profits annuity policy, only the qualifying Equitable Life annuitant who is in receipt of an annuity payment under that policy at the time a payment under paragraph (1) is to be made is entitled to that payment.

(4) If A is entitled to a payment of £5000 in respect of a relevant with-profits annuity policy, and A dies before a payment under paragraph (1) is made, the payment is, subject to paragraphs (5) and (6), to be made to A’s personal representative.

(5) Where A is in receipt of an annuity payment from Prudential under a joint with-profits annuity policy, and A dies before a payment under paragraph (1) is made, such payment shall only be made, subject to paragraph (6), to A’s personal representative if A was the last surviving person eligible to receive a financial benefit under the contract of insurance comprising the policy.

(6) A payment is only to be made to A’s personal representative if the personal representative makes an application for the payment under regulation 4.

(7) If A is resident in a State outside the United Kingdom, payment may be made in the currency of that State at the spot rate of exchange for the day on which the payment is made.

(8) For the purposes of paragraph (3), a person who, at the time a payment under paragraph (1) is to be made, is entitled to receive but is not yet in receipt of an annuity payment following the death of any other qualifying Equitable Life annuitant is treated as being in receipt of the annuity payment.

Entitlement: payments to qualifying Equitable Life annuitants in receipt of pension credit or similar benefit

3.—(1) A qualifying Equitable Life annuitant (“A”) is entitled to a payment of £5000 under this regulation in addition to a payment under regulation 2(1) if A was in receipt of state pension credit on 1st November 2013.

(2) A is not entitled to more than one payment under paragraph (1) regardless of the number of relevant with-profits annuity policies under which A is eligible to receive an annuity payment.

(3) In the case of a joint with-profits annuity policy, only the qualifying Equitable Life annuitant who is in receipt of an annuity payment under that policy at the time a payment under paragraph (1) is to be made is entitled to that payment.

(4) A's entitlement to a payment under paragraph (1) ceases if A dies before such a payment is made.

(5) For the purposes of this regulation, "state pension credit" means—

- (a) state pension credit within the meaning of section 1(1) of the State Pension Credit Act 2002⁽³⁾;
- (b) state pension credit within the meaning of section 1(1) of the State Pension Credit Act (Northern Ireland) 2002⁽⁴⁾;
- (c) any benefit similar to the benefit referred to in sub-paragraph (a) that is paid by another EEA State or by Switzerland.

(6) A benefit is similar to the benefit referred to in paragraph (5)(a) if the criteria used to determine eligibility for the benefit are, in the opinion of the Treasury, similar to the criteria used to determine whether a person is eligible for the benefit referred to in paragraph (5)(a).

(7) Where A is in receipt of state pension credit within the meaning of paragraph (5)(c), A is not entitled to a payment under paragraph (1) unless A makes an application for the payment under regulation 4.

(8) If A is resident in a State outside the United Kingdom, payment may be made in the currency of that State at the spot rate of exchange for the day on which the payment is made.

Procedure

4.—(1) Where the Treasury are satisfied that a person is entitled to a payment under regulation 2(1) or under regulation 3(1) by virtue of being in receipt of state pension credit within the meaning of regulation 3(5)(a) or (b), the Treasury must make the payment.

(2) A person who considers that he or she is entitled to a payment under regulation 2(1) may make an application for payment under this regulation if a payment is not received on or before 5th April 2014.

(3) A person who considers that he or she is entitled to a payment under regulation 3(1) by virtue of being in receipt of state pension credit within the meaning of regulation 3(5)(a) or (b) may make an application for payment under this regulation if a payment is not received on or before 5th April 2014.

(4) An application under this regulation must—

- (a) be made in writing to the Treasury;
- (b) be received by the Treasury on or before 5th July 2014;
- (c) specify—
 - (i) the applicant's name, address, date of birth and national insurance number (if the applicant has one);
 - (ii) the policy number of the relevant with-profits annuity policy and the date on which it was purchased from Equitable Life;
 - (iii) the policy number under which Prudential makes or is due to make an annuity payment to the qualifying Equitable Life annuitant (if available);
 - (iv) the name of the bank or similar financial institution, the account number and sort code of the account into which the applicant wishes the payment to be made;
 - (v) the reasons why the applicant considers that the applicant is entitled to a payment; and

(3) 2002 c.16.

(4) 2002 c.14 (N.I.).

- (d) include a copy of any documentary evidence in the possession of the applicant that is relevant to the application.
- (5) An application under this regulation made in relation to a person who is described in regulation 2(4) must also—
 - (a) specify the name, former address, date of birth and national insurance number (if the person had one) of that person; and
 - (b) include evidence that—
 - (i) that person is dead; and
 - (ii) the applicant is the personal representative of that person.
- (6) The Treasury must acknowledge receipt of an application under this regulation upon receipt.
- (7) If the Treasury is satisfied that a person who has made an application under this regulation is entitled to a payment under regulation 2(1) or 3(1), the Treasury must make the payment.

Payment to be disregarded for tax and social security

5. Section 6 of the Age-Related Payments Act 2004⁽⁵⁾ applies to a payment made under these Regulations as it applies to a payment made under that Act.

27th November 2013

Mark Lancaster
Sam Gyimah
Two of the Lords Commissioners of Her
Majesty's Treasury

(5) 2004 c. 10.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision for the Treasury to make payments to qualifying Equitable Life annuitants.

Regulation 1 defines certain terms used in the Regulations, including “qualifying Equitable Life annuitant”.

Regulation 2 sets out the conditions under which a qualifying Equitable Life annuitant is entitled to a payment of £5000, or an equivalent amount in the currency of the country in which the qualifying Equitable Life annuitant is resident, and the circumstances in which the payment can be made to a qualifying Equitable Life annuitant’s personal representative.

Regulation 3 provides for a qualifying Equitable Life annuitant to be entitled to a further payment of £5000, or an equivalent amount in the currency of the country in which the qualifying Equitable Life annuitant is resident, if that person was in receipt of state pension credit on 1st November 2013.

Regulation 4 provides for procedural matters.

Regulation 5 ensures that payments made under these Regulations are to be tax-free in the hands of recipients and do not affect eligibility for state funded means-tested support.

An impact assessment has not been produced for this instrument as no impact on the costs of business or the voluntary sector is foreseen.