

*Draft Order laid before Parliament under sections 150(2), 150A(2A) and 190(1)(a) of the Social Security Administration Act 1992, for approval by resolution of each House of Parliament.*

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## DRAFT STATUTORY INSTRUMENTS

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**2021 No.**

# **SOCIAL SECURITY TERMS AND CONDITIONS OF EMPLOYMENT**

## **The Social Security Benefits Up-rating Order 2021**

*Made - - - - 2021  
Coming into force in accordance with article 1(3) and  
(4)*

The Secretary of State for Work and Pensions has made a review as required by sections 150(1)(1) and 151A(1)(2) of the Social Security Administration Act 1992 and it appeared to the Secretary of State that the general level of prices was greater at the end of the period under review than it was at the beginning of the period.

The Secretary of State for Work and Pensions has also made a review as required by section 150A(1) of that Act(3) and it appeared to the Secretary of State that the general level of earnings was no greater at the end of the period under review than it was at the beginning of the period and the Secretary of State considers it appropriate having regard to the national economic situation and

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- (1) 1992 c. 5 (“the Administration Act”). Section 150 was amended by paragraph 28 of Schedule 8 to the Pension Schemes Act 1993 (c. 48) (“the Pension Schemes Act”), sections 2(3) and 9(4) of the Social Security (Incapacity for Work) Act 1994 (c. 18) (“the 1994 Act”), paragraph 64 of Schedule 2 to the Jobseekers Act 1995 (c. 18), section 131(2) of the Pensions Act 1995 (c. 26), paragraph 24 of Schedule 12 to the Welfare Reform and Pensions Act 1999 (c. 30) (“the 1999 Act”), paragraph 16 of Schedule 2 to the State Pension Credit Act 2002 (c. 16), paragraph 35 of Schedule 3, and Schedule 6, to the Tax Credits Act 2002 (c. 21) (“the Tax Credits Act”), paragraph 14 of Schedule 7 to the Employment Act 2002 (c. 22), paragraph 21 of Schedule 11 to the Pensions Act 2004 (c. 35), section 6(1) to (4) of, and paragraph 21 of Schedule 1 to, the Pensions Act 2007 (c. 22), paragraph 10(21) of Schedule 3 to the Welfare Reform Act 2007 (c. 5), section 2(1) of the Pensions Act 2011 (c. 19), paragraph 22 of Schedule 2, and paragraph 17 of Schedule 9, to the Welfare Reform Act 2012 (c. 5) (“the 2012 Act”), paragraphs 18 and 70 of Schedule 12, paragraph 56 of Schedule 13, and paragraphs 20 and 30 of Schedule 16, to the Pensions Act 2014 (c. 19) (“the Pensions Act”), S.I. 2005/2053, 2006/2839 and 2014/2888. See also section 4(8) of the 1994 Act and S.I. 1995/310. Legislative competence for carers’, disability and industrial injuries benefits was devolved to the Scottish Parliament by section 22(2) of the Scotland Act 2016 (c. 11), which inserted exceptions into the Scotland Act 1998 (c. 46), Schedule 5, Part 2, Section F1. Section 22(2) was brought into force on 17th May 2017 by S.I. 2017/455, subject to transitional arrangements set out in S.I. 2017/444, which modified the operation of section 53 of the Scotland Act 1998. The transitional arrangements in respect of carers’ benefits were ended by the commencement of section 81 of the Social Security (Scotland) Act 2018 (asp 9) on 3rd September 2018 (see S.I. 2018/250). The transitional arrangements in respect of disability benefits including disability living allowance, personal independence payment and industrial injuries benefits ended on 31st March 2020 (see regulation 4 of S.I. 2017/444). Accordingly, in so far as the functions under section 150 are exercisable within devolved competence for various benefits, they are now exercisable by the Scottish Ministers instead of by the Secretary of State.
- (2) Section 151A was inserted by paragraph 21 of Schedule 12 to the Pensions Act and amended by S.I. 2015/1754.
- (3) Section 150A was inserted by section 5(1) of the Pensions Act 2007 and amended by paragraphs 8, 19 and 82 of Schedule 12 to the Pensions Act and S.I. 2014/2888. Section 150A was modified by section 1 of the Social Security (Up-rating of Benefits) Act 2020 (c. 23).

other matters which the Secretary of State considers relevant to increase the amounts referred to in section 150A(1) of that Act.

A draft of this Order was laid before Parliament in accordance with sections 150(2), 150A(2A)(4) and 190(1)(a) of that Act, and approved by a resolution of each House.

The Treasury(5) has consented to the making of this Order.

Accordingly, the Secretary of State for Work and Pensions, in exercise of the powers conferred by sections 150(6), 150A, 151(7), 151A and 189(1), (4) and (5)(8) of the Social Security Administration Act 1992, makes the following Order.

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- (4) Section 1 of the Social Security (Up-rating of Benefits) Act 2020 provides that, in relation to the review under section 150A(1) for the tax year ending 5 April 2021, section 150A is to have effect as if it includes the subsection (2A) that is provided for by section 1 of that Act.
- (5) See section 189(8) of the Administration Act.
- (6) The functions of the Secretary of State under section 150, so far as relating to child benefit and guardian's allowance, were transferred to the Commissioners of Inland Revenue by section 50(1) of the Tax Credits Act. The functions of those Commissioners were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5 of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50 of that Act provides that in so far as appropriate in consequence of section 5 a reference to the Commissioners of Inland Revenue (in whatever terms) is to be read as a reference to the Commissioners for Her Majesty's Revenue and Customs.
- (7) Section 151 was amended by paragraph 29 of Schedule 8 to the Pension Schemes Act, section 130(2) of the Pensions Act 1995, paragraph 22 of Schedule 11 to the Pensions Act 2004, section 2(3) of the Pensions Act 2011 and paragraph 20 of Schedule 12 to the Pensions Act.
- (8) Section 189(1) was amended by paragraph 109 of Schedule 7, and Schedule 8, to the Social Security Act 1998 (c. 14) ("the 1998 Act"), paragraph 57 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2) and Schedule 6 to the Tax Credits Act.