

WELFARE REFORM AND PENSIONS ACT 1999

EXPLANATORY NOTES

COMMENTARY

Commentary

Part VI: General

Section 81: Contributions and pensions administration

Section 81 introduces Schedule 11, which principally makes a number of amendments in the light of the Social Security Contributions (Transfer of Functions, etc.) Act 1999 and related legislation.

That Act transferred responsibility for National Insurance contributions and other (mainly related) matters from the DSS to the Inland Revenue and the Treasury, from 1 April 1999. The clause and Schedule were added to this Bill during Commons Committee stage (Hansard: Standing Committee D col. 1031), after the Social Security Contributions (Transfer of Functions, etc.) Bill had received Royal Assent. Further measures were added to the Schedule at Lords Committee (Hansard: vol. 604, col. 941).

The provisions in Schedule 11 consist mainly of:

- consequential amendments not made by the Social Security Contributions (Transfer of Functions, etc.) Act and its Northern Ireland equivalent; and
- minor adjustments in the allocation of functions between the Departments.

Where appropriate, the Schedule includes broadly parallel changes to the Northern Ireland legislation.

Most of the Schedule is purely technical, but there are three points that call for specific mention:

Paragraphs 7 and 8 make clear that the Inland Revenue can pass information held mainly in relation to contracting out of SERPS to the Benefits Agency for social security and other purposes; and, conversely, that the Agency can pass information about social security and other matters (in particular, SERPS information), to the Revenue for, principally, contracting-out purposes. This is not a new practice. In the past, specific powers were not needed for that transfer because the DSS could share information within the Department. Provision is now needed because the contracting-out functions have been transferred to the Revenue. The amendments also mean that the information can be required to be supplied.

Paragraph 22 further amends section 170 of the Pension Schemes Act 1993, which confers power to make regulations concerning, among other things, contracting-out matters. This amendment slightly extends that power so that it covers first instance decisions. *Paragraph 21* makes a similar change for the equivalent Northern Ireland legislation.

Paragraph 30 repeals section 3(3)(c) of the Social Security Contributions (Transfer of Functions, etc.) Act 1999. That subsection was not commenced so that section 27 of the

*These notes refer to the Welfare Reform and Pensions Act 1999
(c.30) which received Royal Assent on 11 November 1999*

Inland Revenue Regulation Act 1890 (officers may conduct proceedings before justices) would apply to contributions as to tax, and is now superfluous. [Paragraph 5](#) makes a related amendment to remove an overlap with section 116(5A).