

WELFARE REFORM ACT 2012

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 5: Social security: General

Section 113: Penalty in respect of benefit fraud not resulting in overpayment

580. *Section 113* amends section 115A of SSAA 1992 (penalty as alternative to prosecution).
581. Existing subsection (1) of section 115A of SSAA 1992 provides for a penalty as an alternative to prosecution, in cases where the Secretary of State considers there is sufficient evidence to prosecute for benefit fraud. At present, the financial penalty may only apply if an overpayment of benefit has actually been obtained. *Subsection (2)* of this section inserts a new *section (1A)* to cover cases where a person has claimed benefit falsely but has not obtained a benefit overpayment.
582. This allows for a minimum financial penalty in all cases of false claims for benefit including where they are detected before any payment is made and therefore do not result in an overpayment of benefit.
583. *Subsections (3) to (8)* make consequential amendments in the remainder of Section 115A and in the loss of benefit provisions in SSFA 2001.