

WELFARE REFORM ACT 2012

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 5: Social security: General

Section 114: Amount of penalty

584. *Section 114* replaces subsection (3) of section 115A of SSAA 1992 (penalty as alternative to prosecution). The purpose is to provide for a minimum financial penalty to apply to all cases of benefit fraud where a claimant is offered the penalty to avoid prosecution.
585. New *subsection (3)* provides that in the event of a fraud resulting in an overpayment, the penalty will be £350 or 50% of the amount overpaid whichever is greater up to a maximum of £2000. *Subsection (3A)* provides that, in cases where there is no overpayment, the penalty will be fixed at £350.
586. New *subsection (3B)* gives the Secretary of State the power to amend, by order, either the percentage of the amount of overpayment, or the minimum and maximum amounts that can be offered as a penalty.