
STATUTORY INSTRUMENTS

2002 No. 2441

SOCIAL SECURITY

**The Social Security (Claims and Payments and
Miscellaneous Amendments) (No. 2) Regulations 2002**

Made - - - - *23rd September*
2002
Laid before Parliament *27th September 2002*
Coming into force in accordance with regulation 1(1)

The Secretary of State for Work and Pensions, in exercise of the powers conferred on him by sections 5(1)(i), (m), (p) and (q), 15A(2)(a), 71(6) and (8), 189(1), (4) and (6) and 191 of the Social Security Administration Act 1992⁽¹⁾, and of all other powers enabling him in that behalf, and after agreement by the Social Security Advisory Committee that proposals to make these Regulations should not be referred to it⁽²⁾, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Claims and Payments and Miscellaneous Amendments) (No. 2) Regulations 2002 and shall come into force—

- (a) for the purposes of this regulation, regulations 6 to 8 and 11 to 15 on 23rd October 2002;
- (b) for the purposes of regulation 4 immediately before 1st April 2003; and
- (c) for all other purposes on 8th April 2003.

(2) In these Regulations, except as otherwise stated, a reference to a numbered regulation, paragraph or Schedule is a reference to the regulation, paragraph or Schedule bearing that number in the Social Security (Claims and Payments) Regulations 1987⁽³⁾.

Amendment of the Social Security (Claims and Payments) Regulations 1987

2. In regulation 21⁽⁴⁾ (direct credit transfer)—

- (a) for paragraph (1) there shall be substituted—

(1) 1992 c. 5; section 15A was inserted by paragraph 1 of the Schedule to the Social Security (Mortgage Interest Payments) Act 1992 (c. 33); section 189(1) was amended by the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), Schedule 3, paragraph 57(2); section 191 is an interpretation provision and is cited because of the meaning ascribed to the word “prescribe”.

(2) See the Social Security Administration Act 1992 (c. 5), section 173(1)(b).

(3) S.I.1987/1968.

(4) Regulation 21 was amended by S.I. 1992/247, 1993/1113, 1994/2319, 1996/672, 1999/2358 and 2572 and 2000/1982.

“(1) Subject to the provisions of this regulation, benefit may, by an arrangement between the Secretary of State and the person claiming or entitled to it, be paid by way of direct credit transfer into a bank or other account—

- (a) in the name of the person entitled to benefit, or his spouse or partner, or a person acting on his behalf, or
- (b) in the joint names of the person entitled to benefit and his spouse or partner, or the person entitled to benefit and a person acting on his behalf.”;

(b) paragraph (2) shall be omitted;

(c) in paragraph (3), “as may be provided in the application” shall be omitted; and

(d) in paragraphs (3B) and (3C) for “any application to which paragraph (2) refers” there shall be substituted “an arrangement under that paragraph”.

3. In regulation 22 (long term benefits), for paragraph (1)(5) there shall be substituted—

“(1) Subject to the provisions of this regulation and regulation 25(1), long term benefits may be paid at intervals of four weeks, or weekly in advance.

(1A) Disability living allowance shall be paid at intervals of four weeks.”.

4. In regulation 23(6) (child benefit and guardian’s allowance), in paragraph (1) “and of regulation 21 (direct credit transfer)” shall be omitted.

5. In regulation 24(7) (incapacity benefit, maternity allowance and severe disablement allowance), in paragraphs (1) and (2) “regulation 21 and” shall be omitted.

6. In regulation 29(8) (payments to persons under age 18) for “the receipt of that person” there shall be substituted “a direct credit transfer under regulation 21 into that person’s account, or the receipt by him of a payment made by some other means,”.

7. In regulation 30(2)(9) (payments on death), in sub-paragraph (a) for “the receipt of any such person” there shall be substituted “a direct credit transfer under regulation 21 into any such person’s account, or the receipt by him of a payment made by some other means,”.

8. In regulation 33(10) (persons unable to act), in paragraph (3) for “the receipt of any person so appointed” there shall be substituted “a direct credit transfer under regulation 21 into the account of any person so appointed, or the receipt by him of a payment made by some other means,”.

9. In regulation 35(2)(11) (deductions which may be made from benefit and paid to third parties) for “instrument of payment may be, and in the case of funeral expenses shall be, made payable to that person and it may, in any case, be delivered or sent to that person as a direct payment” there shall be substituted “payment may be, and in the case of funeral expenses shall be, made to that person and where an instrument of payment is made payable to that person it may be sent to the beneficiary”.

10. In regulation 38 (extinguishment of right to payment of sums by way of benefit where payment is not obtained within the prescribed period), in paragraph (2A)(c)(i)(12), for “automated” there shall be substituted “direct”.

11. In Schedule 6(13) (days for payment of long term benefits)—

(5) Paragraph (1) was amended by S.I. 1991/2741 and 1994/3196.

(6) Regulation 23 was amended by S.I. 1994/3196 and 1999/2358.

(7) Regulation 24 was substituted by S.I. 1994/2943 and was amended by S.I. 1996/1460 and 2000/3120.

(8) Regulation 29 was substituted by S.I. 1996/672 and was amended by S.I. 1999/2572.

(9) Regulation 30(2) was amended by S.I. 1999/2572 and 2000/1982.

(10) Regulation 33 was amended by S.I. 1991/2741 and 1999/2572.

(11) Regulation 35(2) was amended by S.I. 1988/1725.

(12) Paragraph (2A) was inserted by S.I. 1989/1686 and was amended by S.I. 1999/2422 and sub-paragraph (c) was substituted by S.I. 1993/2113 and was amended by S.I. 1999/2572 and 3178.

(13) In Schedule 6, paragraphs 5 and 6 were amended by S.I. 2000/1483.

- (a) in paragraph 5(b) (retirement pension) for “Tuesdays” there shall be substituted “the day of the week which has become the appropriate day for payment of such benefit to him in accordance with paragraph 6”;
- (b) in paragraph 5(d) (retirement pension) for “in any particular case determine” there shall be substituted “where payment is by direct credit transfer, or in the circumstances of any particular case, determine”; and
- (c) in paragraph 6 (widowed mother’s allowance and widow’s pension) for “on Tuesdays” there shall be substituted—

“on—

- (a) Tuesdays; or
- (b) such other day of the week as the Secretary of State may determine, where payment is by direct credit transfer, or in the circumstances of any particular case,

and where, in relation to any person, any particular day of the week has become the appropriate day of the week for payment of such an allowance or pension, that day shall thereafter remain the appropriate day for such payment in his case”.

12. In Schedule 9 (deductions from benefit and direct payment to third parties), in paragraph 1 (interpretation), in the definition of “specified benefit”**(14)**—

- (a) for paragraph (a) there shall be substituted—

“(a) income support, which is either paid alone or paid together with any incapacity benefit, retirement pension or severe disablement allowance in a combined payment in respect of any period; and”;

- (b) paragraph (b) shall be omitted.

13. In Schedule 9A**(15)** (deductions of mortgage interest from benefit and payment to qualifying lenders), in paragraph 1 (interpretation), in the definition of “relevant benefits”**(16)**—

- (a) for paragraph (a) there shall be substituted—

“(a) income support, which is either paid alone or paid together with any incapacity benefit, retirement pension or severe disablement allowance in a combined payment in respect of any period; and”;

- (b) paragraph (b) shall be omitted.

Amendment of the Social Security (Payments on account, Overpayments and Recovery) Regulations 1988

14. In the Social Security (Payments on account, Overpayments and Recovery) Regulations 1988**(17)**, in regulation 16(8) (limitations on deductions from prescribed benefits), for the definition of “specified benefit”**(18)** there shall be substituted—

““specified benefit” means—

(14) The definition of “specified benefit” was substituted by S.I. [1996/672](#) and was amended by S.I. [1996/1460](#) and [3195](#) and [1997/454](#).

(15) Schedule 9A was inserted by S.I. [1992/1026](#).

(16) The definition of “relevant benefits” was substituted by S.I. [1996/672](#) and was amended by S.I. [1996/1460](#) and [3195](#) and [1997/454](#).

(17) S.I. [1988/664](#).

(18) The definition of “specified benefit” was substituted by S.I. [1996/672](#) and was amended by S.I. [1996/1345](#), [2519](#) and [3195](#) and [1997/454](#).

- (a) a jobseeker's allowance, or income support which is either paid alone or paid together with any incapacity benefit, retirement pension or severe disablement allowance in a combined payment in respect of any period; and
- (b) income support and, where paid to the beneficiary concurrently with income support in respect of any period but not in a combined payment, incapacity benefit, retirement pension or severe disablement allowance,

but does not include any sum payable by way of child maintenance bonus in accordance with section 10 of the Child Support Act 1995⁽¹⁹⁾ and the Social Security (Child Maintenance Bonus) Regulations 1996⁽²⁰⁾.”.

Tax credits

15. Nothing in these Regulations shall affect the application of the Social Security (Claims and Payments) Regulations 1987 to working families' tax credit and disabled person's tax credit.

Signed by authority of the Secretary of State for Work and Pensions.

23rd September 2002

Ian McCartney
Minister of State,
Department for Work and Pensions

⁽¹⁹⁾ 1995 c. 34.
⁽²⁰⁾ S.I. 1996/3195.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Social Security (Claims and Payments) Regulations 1987 (regulations 2 to 13) and the Social Security (Payments on account, Overpayments and Recovery) Regulations 1988 (regulation 14) to make further provision as to the payment of social security benefits.

Regulation 2 provides for arrangements to be made with a claimant to pay benefit by direct credit transfer into his bank account without an application by him, or into the account of another specified person or into a specified joint account.

Regulation 3 provides that disability living allowance continues to be payable at four weekly intervals and other long term benefits are payable at four weekly intervals, or weekly in advance.

Regulations 4 and 5 clarify the time when child benefit and incapacity benefit is paid.

Regulations 6 to 8 provide that payment of benefit by direct credit transfer into the account of a beneficiary under age 18 or a statutory appointee shall be a good discharge to the Secretary of State.

Regulation 9 provides that specified social fund payments may be made by direct credit transfer and if an instrument of payment is payable to a third party it may be sent to the beneficiary.

Regulation 10 clarifies a reference to direct credit transfer.

Regulation 11 amends provisions specifying days for payment of retirement pensions, widow's benefit and bereavement benefit.

Regulations 12 and 13 provide that whether income support is paid by direct credit transfer or otherwise deductions may be made and paid directly to third parties and qualifying lenders.

Regulation 14 prevents payments of specified benefits made by direct credit transfer or otherwise being reduced below 10p a week when benefit overpayments are recovered by deductions from such benefits.

Regulation 15 confirms that the Regulations do not affect the application of the Social Security (Claims and Payments) Regulations 1987 to tax credits.

These Regulations do not impose a cost on business.