

Status: This version of this provision is prospective.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The State Pension Credit (Consequential, Transitional and Miscellaneous Provisions) (No. 2) Regulations 2002. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

STATUTORY INSTRUMENTS

2002 No. 3197

The State Pension Credit (Consequential, Transitional and Miscellaneous Provisions) (No. 2) Regulations 2002

PROSPECTIVE

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

5.—(1) The Social Security (Claims and Payments) Regulations 1987(1) shall be amended in accordance with the following paragraphs of this regulation.

(2) In regulation 34A(2) (deduction of mortgage interest which shall be made from benefit and paid to qualifying lenders)—

- (a) for the words “or (1A)” there shall be substituted the words “or, subject to paragraph (1A), section 15A(1A)”;
- (b) after paragraph (1), there shall be inserted the following paragraph—

“(1A) Paragraph (1) shall only apply in relation to a relevant beneficiary who is entitled to state pension credit where he is entitled to a guarantee credit.”.

(3) After regulation 34A, there shall be inserted the following regulation—

“Deductions of mortgage interest which may be made from benefits and paid to qualifying lenders in other cases

34B.—(1) In relation to cases to which section 15A(1A) of the Social Security Administration Act 1992(3) applies (other than those referred to in regulation 34A(1A))—

- (a) in the circumstances specified in paragraph 2A(1) of Schedule 9A: and
- (b) in either of the further circumstances specified in paragraph 2A(2) of that Schedule, such part of any relevant benefits to which a relevant beneficiary is entitled as may be specified in that Schedule may be paid by the Secretary of State directly to the qualifying lender and shall be applied by that lender towards the discharge of the liability in respect of that interest(4).

(2) The provisions of Schedule 9A(5) shall have effect in relation to mortgage interest payments made under this regulation.”.

(4) In paragraph 3(5)(a) of Schedule 9(6) (deductions from benefit and direct payments to third parties), after “regulation 34A” there shall be inserted “or 34B”.

(5) In Schedule 9A (deductions of mortgage interest from benefit and made to qualifying lenders)—

(1) S.I.1987/1968.

(2) Regulation 34A is inserted by S.I. 1992/1026 and amended by S.I. 2002/3019.

(3) Section 15A(1A) is inserted by the State Pension Credit Act 2002 (c. 16), Schedule 2, paragraph 9(2).

(4) See section 15A for the definition of “relevant beneficiary”, “qualifying lender” and “mortgage interest”.

(5) Schedule 9A is inserted by S.I. 1992/1026.

(6) Paragraph 3(5) is inserted by S.I. 1992/1026.

Status: This version of this provision is prospective.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to *The State Pension Credit (Consequential, Transitional and Miscellaneous Provisions) (No. 2) Regulations 2002*. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- (a) in the heading, for “Regulation 34A” there shall be substituted “Regulations 34A and 34B”;
- (b) at the end of the heading to paragraph 2(7), there shall be added the words “for the purposes of regulation 34A”;
- (c) after paragraph 2, there shall be inserted the following paragraph—

“Specified circumstances for the purposes of regulation 34B

2A.—(1) The circumstances referred to in regulation 34B are that—

- (a) the relevant beneficiary is entitled to a savings credit as construed in accordance with sections 1 and 3 of the 2002 Act and not to a guarantee credit; and
- (b) sub-paragraphs (a) and (b) of paragraph 2 apply.

(2) The further circumstances referred to in that regulation are that—

- (a) the relevant beneficiary has requested the Secretary of State in writing to make such payments to the qualifying lender; or
- (b) the Secretary of State has determined that it would be in the relevant beneficiary’s interests, or in the interests of his family, to make such payments to the qualifying lender.

(3) In making the determination referred to in sub-paragraph (2)(b), the Secretary of State shall have regard to whether or not the relevant beneficiary is in arrears with his payments to the qualifying lender.

(4) For the purposes of sub-paragraph (2)(b), “a family” comprises the relevant beneficiary, his partner, any additional partner to whom section 12(1)(c) of the 2002 Act applies and any person who has not attained the age of 19, is treated as a child for the purposes of section 142 of the Contributions and Benefits Act and lives with the relevant beneficiary or the relevant beneficiary’s partner.”

(d) in paragraph 3(8)—

- (i) in sub-paragraph (1A), after the words “qualifying lender” there shall be inserted the words “or, in accordance with regulation 34B, may be paid directly to the qualifying lender”;
- (ii) in sub-paragraph (10), after the words “state pension credit”, in the first place where those words occur, there shall be inserted the words “but not in a case to which sub-paragraph (11) applies,”;
- (iii) after sub-paragraph (10), there shall be added the following sub-paragraph—

“(11) This sub-paragraph applies where the last day on which either the claimant or his partner were entitled to income support or to an income-based jobseeker’s allowance was no more than twelve weeks before—

- (a) except where paragraph (b) applies, the first day of entitlement to state pension credit; or
- (b) where the claim for state pension credit was treated as made on a day earlier than the day on which it was actually made (“the actual date”), the day which would have been the first day of entitlement to state pension credit had the claim been treated as made on the actual date.”;

(e) in paragraphs 6 and 7, after “regulation 34A” there shall be inserted “or 34B”;

(7) Paragraph 2 is substituted by S.I. [1995/1613](#) and amended by S.I. [1996/1460](#).

(8) Sub-paragraphs (1A) and (10) are inserted by S.I. [2002/3019](#).

Status: This version of this provision is prospective.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The State Pension Credit (Consequential, Transitional and Miscellaneous Provisions) (No. 2) Regulations 2002. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- (f) in paragraph 9(4), for the words “Regulation 34A shall not” there shall be substituted the words “Neither regulation 34A nor 34B shall”;
- (g) in paragraph 11—
 - (i) in sub-paragraph (1), after “regulation 34A” there shall be inserted “or 34B”;
 - (ii) in sub-paragraph (2)(a)(i), after the words “Jobseeker’s Allowance Regulations” there shall be inserted the words “or paragraph 9 of Schedule II to the State Pension Credit Regulations”.

Commencement Information

II Reg. 5 in force at 7.4.2003, see [reg. 1\(1\)\(a\)](#)

Status:

This version of this provision is prospective.

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The State Pension Credit (Consequential, Transitional and Miscellaneous Provisions) (No. 2) Regulations 2002. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- reg. 5 coming into force by [S.I. 2002/3197 reg. 1\(1\)\(a\)](#)