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STATUTORY INSTRUMENTS

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**2008 No. 1596**

**The Social Security (Recovery of Benefits)  
(Lump Sum Payments) Regulations 2008**

**PART 5**

Miscellaneous

**Periodical payments**

**18.**—(1) This regulation applies where in final settlement of P's claim, an agreement is entered into—

- (a) for the making of periodical payments (whether of an income or capital nature); or
- (b) for the making of such payments and lump sum payments,

and, those payments would fall to be treated for the purposes of the Act as compensation payments.

(2) Where this regulation applies—

- (a) the compensator in question is to be taken to have made a single compensation payment on the day of settlement;
- (b) the total of the payments due to be made under the agreement referred to in paragraph (1) are to be taken to be a compensation payment for the purposes of the Act; and
- (c) that single compensation payment is a payment from which lump sum payments may be recovered under these Regulations.

(3) In any case where—

- (a) the person making the periodical payments (“the secondary party”) does so in pursuance of arrangements entered into with another (“the primary party”) (as in a case where the primary party purchases an annuity for P from the secondary party); and
- (b) apart from those arrangements, the primary party would have been regarded as the compensator,

then for the purposes of the Act, the primary party is to be regarded as the compensator and the secondary party is not to be so regarded.

(4) In this regulation—

“the day of settlement” means—

- (a) if the agreement referred to in paragraph (1) is approved by a court, the day on which that approval is given; and
- (b) in any other case, the day on which the agreement is entered into;

“a single compensation payment” means the total amount of the payments due to be made under the agreement referred to in paragraph (1).