EXPLANATORY MEMORANDUM TO

THE PENSIONS ACT 2014 (CONSEQUENTIAL, SUPPLEMENTARY AND INCIDENTAL AMENDMENTS) ORDER 2015

2015 No. 1985

1. Introduction

1.1 This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 This instrument supports the introduction of a new state pension for people reaching state pension age on or after 6 April 2016. It makes amendments to secondary legislation that are consequential, supplementary and incidental to the introduction of the new scheme.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

Other matters of interest to the House of Commons

3.2 As this instrument is subject to the negative procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

4. Legislative Context

4.1 The main features of the new state pension are set out in Part 1 of the Pensions Act 2014[1] ("the 2014 Act"). More detailed provisions are contained in the State Pension Regulations 2015 ("the 2015 Regulations").

4.2 Legislation dealing with the administration of social security benefits, including the state pension, is contained in the Social Security Administration Act 1992, the Social Security Act 1998 and associated regulations. Those Acts were amended by the 2014 Act to include references to the new state pension. This Order amends regulations made under those Acts to extend existing administrative arrangements to do with claims, decision-making, payments, overpayments and adjustments between overlapping benefits to the new state pension. There are a small number of provisions which will operate differently, either because of differences in the structure of the new scheme or because the introduction of the new scheme has provided the opportunity to change the current arrangements for the new state pension.

4.3 The remaining provisions are mostly minor consequential or supplementary amendments to secondary legislation, including a small number of amendments to legislation which is the responsibility of other Departments or the Scottish and Welsh Governments.

[1] All the legislation mentioned in this Memorandum is available online at http://www.legislation.gov.uk

4.4 The amendments take effect on 6 April 2016 except those made by article 9(1), (6) and (7). Those amendments, which take effect on 4 January 2016, provide for the existing rules relating to advance claims and awards to apply to the new state pension. These rules help prevent delays in making payment on the due date – in this case, on or after 6 April 2016 – by allowing time for enquiries to be resolved beforehand.

4.5 Further secondary legislation, which inserts additional provisions into the 2015 Regulations and makes consequential and supplementary amendments of primary legislation, was laid before Parliament in draft on 30 November. Both those instruments are subject to Parliamentary approval before they can be made.[2]

4.6 The remaining legislation that will need to be in place by 6 April 2016, apart from this Order and the instruments referred to above, includes regulations which will amend the 2015 Regulations to provide for National Insurance (NI) credits for people in the new state pension and specify the weekly rate of new state pension.

5. Extent and Territorial Application

5.1 Articles 1, 21, 25, 30 and 44 extend to the United Kingdom; articles 12, 17, 32, 39 and 40 extend to England and Wales; article 43 extends to England, Wales and Northern Ireland and articles 13 and 36 extend to Scotland. The remaining articles extend to Great Britain.

5.2 The territorial application is the same as the extent except for article 12, which applies to Wales only, articles 15 and 43 which apply to England and Wales only, articles 39 and 40 which apply to England only and article 44 which applies to Great Britain only.

5.3 Subject to the agreement of the Northern Ireland Assembly, the Department for Social Development in Northern Ireland will be producing corresponding legislation for Northern Ireland.

6. European Convention on Human Rights

6.1 As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

What is being done and why

Overlapping benefits (article 4)

7.1 The rules that apply when a person qualifies for more than one benefit paid out of public funds are known as the overlapping benefits rules. The basic principle behind these rules is that benefits which are designed to help with income maintenance needs should not be added together and paid in full, even though a person may satisfy the conditions of entitlement to more than one benefit at a time. Regulations[3] therefore provide for the amount of one benefit to be reduced by the amount of the other benefit so that only the balance, if any, is payable.

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[2] The State Pension and Occupational Pension Schemes (Miscellaneous Amendments) Regulations 2016 and the Pensions Act 2014 (Consequential and Supplementary Amendments) Order 2016.

[3] The Social Security (Overlapping Benefits) Regulations 1979. These regulations do not apply to income-related benefits such as Pension Credit: instead, regulations that contain the detail of those benefit schemes provide for other benefits to be taken into account in the calculation.

7.2 Entitlement to the majority of benefits for people of working age ceases when the claimant reaches state pension age. Only the following benefits can still overlap with new state pension, of which, only the first two are still available to new claimants:

- carer's allowance, payable where a person is caring for a severely disabled person for at least 35 hours a week;
- unemployability supplement under the war pension scheme, payable in respect of disability arising from service in the armed forces prior to April 2005;
- severe disablement allowance, payable only where entitlement began before July 2001 and the recipient has not been transferred to employment and support allowance before reaching state pension age;
- widow's pension, payable only where bereavement was before April 2001: entitlement ceases at age 65 or, if later, state pension age: the potential for concurrent entitlement to state pension and widow's pension will cease after November 2018 when women's state pension age reaches 65;
- widowed mother's allowance, payable only where a woman was widowed with a dependent child or pregnant before April 2001: entitlement ceases when entitlement to child benefit ceases;
- unemployability supplement under the industrial injuries scheme, payable only where entitlement began before April 1987.

7.3 An additional pension (AP) or graduated retirement benefit (GRB) can only overlap another AP or GRB. Of the benefits listed above, only widow's pension and widowed mother's allowance can include AP. This means that the other benefits, and the basic components of the widow's benefits, can only be reduced by a person's basic state pension.

7.4 From 6 April 2016, people will no longer build up AP. Instead, the new state pension will build up at a flat rate, equivalent to 1/35th of the full rate of new state pension for each qualifying year. For the period up to 6 April 2016, the value of a person's state pension calculated under the old rules, comprising basic pension, AP and GRB, will be compared to a valuation under the new state pension rules, assuming those rules had been in place at the start of their working life. The higher of the two will be their "starting amount"[4] as at 6 April 2016. There will therefore no longer be a separate AP for people in the new scheme, and the structure of the scheme means that it will no longer be practicable to exclude particular components from the overlap rules.

7.5 The amendments made by article 4(3) and (4) provide for the other benefits that overlap with the new state pension to be reduced by the amount of any state pension payable under Part 1 of the 2014 Act.

7.6 The main benefit that will overlap with new state pension is carer's allowance, which, at £62.10 a week, is just over half the full rate of the basic state pension (£115.95) at April 2015 rates. In the old state pension scheme[5], carer's allowance will therefore be abated in full unless the person has less than the equivalent amount of old scheme basic pension. This will only arise if the person has fewer than 17 qualifying years of

[4] If the starting amount is less than the full rate of new state pension at 2016, it can be increased up to a maximum of the full rate by adding further qualifying year up to state pension age. If it is more, the excess is payable as a "protected payment".

[5] The term "old state pension" is here used to refer to the state pension scheme for people who reach state pension age before 6 April 2016.

their own (again, based on April 2015 rates) and is also not entitled to any increase of basic pension based on a spouse or civil partner's NI contributions. For this reason, the number of people over state pension age who receive a payment of carer's allowance is low - around 17,000, based on the latest available data.[6]

7.7 In the new state pension scheme, where the old rules amount in the starting amount calculation includes AP (or they inherit or are awarded a share of a late or former spouse or civil partner's AP) a greater reduction could be applied to their other benefit than under the old state pension system. This will only make a difference to the person's overall income if the amount of state pension would have been less than the rate of carer's allowance if any amount of AP factored into the total had been ignored.

7.8 For example, Person A reaches state pension age in July 2016 and has 15 qualifying years up to 5 April 2016 and £5 AP. Based on 2015 rates, under the old state pension scheme, their state pension would total £62.98 (£57.98 basic pension plus £5 AP). Their new rules amount would total £64.82 (15/35ths of the full rate of new state pension at the 2015 illustrative rate of £151.25). This becomes their "starting amount[7] at 6 April 2017 and, as they reach state pension age in the same tax year, it is also the weekly rate of their state pension at state pension age.

7.9 Under the old scheme, carer's allowance would have been reduced by £57.98 (the amount of the basic state pension), leaving a balance of £4.12. Their total income, including the £5 AP, would be £67.10. In the new scheme, their state pension of £64.82 would reduce the carer's allowance to nil. Their overall income would therefore be £2.28 a week less than under the old state pension scheme for as long as carer's allowance continued in payment.

Claims and payments (article 9)

7.10 Article 9 amends the Social Security (Claims and Payments) Regulations 1987. These regulations cover matters such as when a claim is required, the time limits for making a claim, how claims are to be made, when payment under a claim starts, the frequency of payments and payment of outstanding benefit at death.

7.11 Most of the amendments simply extend the existing arrangements to the new state pension or make the equivalent provision for the new state pension: for example, article 9(5) allows electronic claims to be made for new state pension in the same way as for old state pension, and article 9(11) sets the day of the week on which a person's new state pension is to be paid in the same way as it is set for old state pension.

7.12 The rules about when a state pension award starts and ends will be different. Under the old state pension scheme the state pension is generally payable only for complete weeks. This means that, for example, in the case of a person who reached state pension age on Thursday 5 November 2015, but whose "benefit week" runs from Wednesday to Tuesday, no state pension would be payable for the first 6 days falling before Wednesday 11, the start of their first benefit week. The same principle applies at the other end of an award – when the pensioner dies, their state pension is payable to the end of that benefit week.

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[6] Source: DWP Work and Pensions Longitudinal Study (WPLS) May 2015 – pension age claimants in receipt of Carer's Allowance.

[7] In this example, it is assumed that the person had not been contracted-out of the additional state pension at any point, so no adjustment is required to take account of contracted-out benefits built up in lieu of AP foregone.

7.13 Limited arrangements to make part-week payments at the start of a state pension claim were implemented in 2010 to mitigate the impact on people receiving a working-age benefit of the introduction of part-week payments up to state pension age. However, for reasons to do with the cost of making the additional initial payment and updating IT systems, this was not extended more widely.

7.14 The introduction of the new state pension has provided the opportunity to include part-weeks at the start and end of a claim as part of the wider reforms. New regulation 22DA, inserted by article 9(11), accordingly provides for the new state pension to be payable from the day on which a person reaches state pension age up to and including the date of their death.

7.15 The existing provisions which enable a claim to be made on behalf of a person who has died for benefit (including old state pension) outstanding at their death[8] are extended to include claims for new state pension. These provisions do not currently enable such a claim to be made for state pension if the deceased was married or in a civil partnership when they died. This is because a person who has died over state pension age without claiming their state pension will have accrued deferral benefits which are inheritable by a surviving spouse or civil partner. As the deferral benefit is calculated by reference to the amount of state pension which the person did not claim, allowing a claim to be made for that pension would result in a conflict with the inheritance provisions.

7.16 This restriction will not apply in respect of unclaimed new state pension because the pension increase a person will accrue through deferring their new state pension will not be inheritable. This means it will be possible for the estate to claim up to 3 months' arrears of new state pension, in line with the existing limit on payment of arrears in these circumstances, irrespective of the person's marital or civil partnership status at death. Article 9(14) provides that, as in the old state pension scheme, where the deceased is a surviving spouse or civil partner whose unclaimed state pension includes an inherited deferral payment (see paragraph 7.25 below), the deceased is treated as having chosen to receive a weekly increase rather than a lump-sum payment. Article 45 makes a consequential amendment to the 2015 Regulations.

Payments on account, recovery and notification (articles 10, 11, 23, 27, 41 and 42)

7.17 Articles 11 and 42 add new state pension to the list of benefits, including old state pension, from which benefit overpayments and certain court costs may be recovered. Article 10 similarly provides for recovery of payments from the social fund.

7.18 Article 11 also enables the existing rules providing for payment under an award which is subsequently revised to be offset against payment under the new award to apply to new state pension.

7.19 Article 11(2)(c) inserts references to inherited deferral payments made to a person in the new scheme in the existing rules about payments on account. The amendment allows the amount of a deferral payment to be offset against the amount due under a subsequent award, for example, where a person has changed their choice from a weekly increase to a lump-sum payment.

7.20 Article 27 provides that arrears of new state pension outstanding at the date of a person's death are not used to reduce the amount of a funeral payment from the social

[8] Regulation 30 of the Social Security (Claims and Payments) Regulations 1987

fund, in line with the existing rule on the treatment of arrears of old state pension and other benefits.

7.21 Article 41 extends the existing regulations that enable a person to be paid benefit "on account" to include new state pension. Such payments may be made in advance of a formal decision on a claim where it appears that the entitlement conditions are met and the person is in financial need.

7.22 The provision amended by Article 23 specifies how a change of circumstances which affects entitlement to the benefits listed in the regulation (including old state pension) must be notified. This relates to measures introduced by the Fraud Act 2001 which created new offences resulting from the failure to notify a change of circumstances in the manner set out in the regulations.

Decisions and Appeals (articles 18 and 20)

7.23 In the old state pension scheme, a person who defers claiming their state pension for at least 12 months can choose to receive either a weekly increase to their pension or a one-off, lump sum payment when they finally claim. They have three months in which to make the choice. If they do not make a choice in this period they are automatically awarded a lump sum. They then have a further three months "cooling off" period during which they can swap their choice, or deemed choice, for the alternative, provided the original payment is recovered. These arrangements also apply to a person who is entitled to inherit a deferral payment, if their deceased spouse or civil partner had deferred their state pension for at least 12 months but died before claiming it and making a choice themselves.

7.24 To support these arrangements, provisions in the Social Security and Child Support (Decisions and Appeals) Regulations 1999 allow the weekly state pension to be awarded without a deferral payment while the person is considering what choice to make. The award can then be revised from the start of the claim if the person chooses a weekly increase or subsequently changes their choice. They also allow decisions on pension credit awards to be revised or superseded to reflect the choice, or change of choice.

7.25 Although a person who defers claiming their new state pension will not have the option of a lump-sum payment, a person in the new scheme whose deceased spouse or civil partner had deferred an old state pension will still be able to inherit a deferral payment under the same conditions as in the old scheme.

7.26 Article 18(3) and (5) to (7) insert new provisions corresponding to those described above to underpin the choice of inherited deferral payment made by a surviving spouse or civil partner in these circumstances.

7.27 The unrelated amendment made by article 18(4) extends an existing provision (which allows revision of a decision that a person's entitlement is to stop because they have not provided information) to the new state pension.

7.28 Article 20 amends the regulations dealing with housing benefit decisions and appeals to make the equivalent amendments for housing benefit purposes that article 18 makes in respect of pension credit.

Income-related benefits and schemes and tax credits (articles 8, 16, 17, 24, 25, 28, 29, 31, 36, 37, 39 and 40)

7.29 Articles 8, 16, 17, 28, 31, 36 and 39 insert references to the new state pension in regulations variously providing for the treatment of an old state pension in relation to the calculation of income and capital and the conditions of entitlement to additional amounts ("premiums") in income support, jobseeker's allowance, housing renewal grants, employment and support allowance, housing benefit and council tax reduction schemes.

7.30 Articles 24, 25, 29(4) and (5), 37, 39(3)(a) and (4) and 40(2)(b) amend regulations dealing with the treatment of income and capital in pension credit, housing benefit, council tax reduction schemes[9] and tax credits when a person is deferring their state pension, or changes their choice of payment from a weekly increase to a lump sum, to insert new provisions that mirror the existing rules. These specify that:

- a person is to be treated as receiving their state pension while they are deferring it for the purposes of pension credit, but not in the other benefits referred to above;
- a person who changes their choice of a weekly increase to a lump sum is not penalised by being treated as still possessing the extra income;
- in the calculation of a person's capital, an amount equal to the pre-tax amount of the lump-sum payment is to be disregarded for life, so long as that person does not change their choice to a weekly increase.

Child Support (articles 14, 19 and 38)

7.31 Article 14 includes the new state pension in the benefits which count as income for the absent parent or parent with care under the 1993 child maintenance scheme. Articles 19 and 38 add the new state pension to the list of benefits that qualify the non-resident parent for payment of maintenance at the flat rate under the 2003 and 2012 child maintenance schemes.

NHS injury benefits and exemption from NHS charges (articles 12, 13 and 15)

7.32 The amendments to the National Health Service (Injury Benefits) Regulations 1995[10] mean that where a person in the new state pension has a "protected payment" (or, as it is referred to in the legislation, the "excess amount") – see footnote to paragraph 7.4 – it will be taken into account in the calculation of an injury benefit payment in the same way as the additional state pension element of an old state pension. Article15 adds the protected payment to the definition of a relevant pension scheme for this purpose.

7.33 Articles 12 and 13 amend regulations which specify when overseas visitors are required to pay NHS charges. A person receiving a UK state pension is exempt in certain circumstances; the amendments extend the reference to state pension to include the new state pension.

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[9] The Welsh Government will amend the Council Tax Reduction Schemes Prescribed Requirements (Wales) Regulations 2013 (S.I. 2013/3029 (W301)) and the Council Tax Reduction Schemes (Default Schemes) (Wales) Regulations 2013 (S.I. 2013/3035 (W303)).

[10] The NHS Pension Scheme Scotland (part of the Scottish Government) will amend the National Health Service (Scotland) (Injury Benefits) Regulations 1998 (S.I. 1998/1594 (S.84)).

Equality Act: age and sex equality exceptions - bridging pensions (articles 34 and 35)

7.34 Articles 34 and 35 (which amend respectively the Equality Act 2010 (Sex Equality Rule) (Exceptions) Regulations 2010 and the Equality Act (Age Exceptions for Pension Schemes) Order 2010) ensure continuity of the existing exceptions that allow occupational pension schemes to offer bridging pensions without breaching the sex equality rule and non-discrimination rule set out in the Equality Act 2010.

Provision of information in connection with legal aid etc. (articles 32 and 43)

7.35 Articles 32 and 43 amend regulations which enable authorities dealing with applications for financial assistance in connection with criminal proceedings to request the Secretary of State to provide details about benefits the applicant is receiving, including state pension. The amendments insert references to new state pension and new section 55AA (see paragraph 7.47).

National Insurance credits (article 2)

7.36 Article 2 amends the existing regulations which detail the circumstances in which a person may be credited with NI contributions to clarify that those regulations do not apply for the purposes of meeting the entitlement conditions for new state pension. As noted above at paragraph 4.6, the crediting arrangements for new state pension will be set out in the 2015 Regulations.

Transfer of state pension rights and amendments about NI contributions (articles 6, 21 and 30)

7.37 Employees of the European Commission may transfer a cash equivalent of their state pension rights into the European Commission pension scheme. The amendments made by Article 30 provide for the cash equivalent transfer value (CETV) to be calculated under the rules of the new state pension for people who will reach state pension age on or after 6 April 2016. Article 30(3) provides that a CETV can still be calculated and transferred if the person does not satisfy the normal requirement, specified in regulation 13 of the 2015 Regulations, to have a minimum of 10 qualifying years of NI contributions or credits to be entitled to new state pension. This corresponds to the existing provision which enables the transfer of old state pension rights below the 25% de-minimis that applied to people who reached state pension age before 6 April 2010.

7.38 Article 6 amends the regulations which set out the detail of how “earnings factors” are derived from a person’s NI contributions and credits. A person’s earnings factor for the year needs to reach a specified level in order for that year to count as a qualifying year for entitlement to state pension. There is no change to what constitutes a qualifying year for the purposes of the new state pension. These regulations will therefore apply for new state pension purposes in the same way as for old state pension.

7.39 The minor and consequential amendments of the Social Security (Contributions) Regulations 2001 made by Article 21 are required to take account of a change in terminology and to include new state pension in the provision that prevents a person from being able to pay voluntary Class 3 NI contributions for tax years which are already qualifying years through other classes of NI contributions or credits.

Amendments to do with old state pension

Use of a former spouse or civil partner's NI contributions and Category C pension for certain widows (article 5)

7.40 A person in the old state pension scheme whose marriage or civil partnership has ended in divorce or dissolution can "substitute" their former spouse or civil partner's NI contributions for their own for the period up to when the marriage or civil partnership ended, if it will give them a higher basic state pension than they would otherwise be entitled to.

7.41 Where the former spouse or civil partner is in the new state pension scheme, the 2014 Act prevents the use of any such contributions made in respect of any period starting on or after 6 April 2016.[11] Article 5(3), (4) and (6) amends the regulations that contain the detail of the substitution rules to apply this restriction in the substitution calculation.

7.42 Article 5(5) amends the regulation that provides for a non-contributory Category C retirement pension for the widows of men who reached state pension age before the NI scheme was introduced in 1948. Other provisions that provide for Category C pensions, including the weekly rate, are contained in primary legislation. As Category C pensions are now virtually obsolete, the 2014 Act repeals those provisions. The regulations will continue to apply to the few remaining widows (numbering around 20 in all[12]) still in receipt, and are amended to insert a reference to the weekly rate in place of the cross-reference to the primary legislation, which will cease to have effect when the repeals are commenced on 6 April 2016.

Maximum additional pension (article 33)

7.43 In the old state pension scheme, there is a cap on the total amount of additional state pension (AP) a surviving spouse or civil partner entitled to AP of their own can be paid when they are also entitled to inherited AP. Under these rules, the amount of inherited AP is restricted to the amount needed to make up the shortfall, if any, between the survivor's own AP and the cap.

7.44 The formula for calculating the cap is specified in regulations.[13] This results in an amount equivalent to the maximum amount of AP a hypothetical person could have accrued if that person reached state pension age in the same year that the survivor becomes entitled to both own and inherited AP. Under the old state pension scheme AP can accrue from 1978/79, or, if later, the tax year in which a person reaches age 16, up to and including the last tax year before state pension age. The cap accordingly changes in each tax year: in 2015/16 it is £164.36.

7.45 For people reaching state pension age on or after 6 April 2016, the last tax year for AP accrual will be 2015/16.[14] If the existing formula remained in place, the total AP for a person widowed in October 2036 (for example) would be limited to the maximum that a person could have accrued from 1984/85 (the tax year in which a person reaching state pension age in 2035/36 would reach age 16[15]) to 2015/16, rather than to

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[11] Paragraph 56 of Schedule 12 to the 2014 Act
[12] DWP Work and Pensions Longitudinal Study (WPLS) May 2015 – number in receipt of Category C pension.
[13] The Social Security (Maximum Additional Pension) Regulations 2010
[14] People reaching state pension age before 6 April 2016 are eligible to make voluntary Class 3A National Insurance contributions to receive extra AP ("State Pension top-up"). This is ignored for the purposes of the cap.
[15] State pension age in 2036 is 67 under the legislation in force as at April 2016.

2035/36, as would be the case if the old scheme had continued. As a result, over time the cap would shrink so it would become increasingly likely that it would be less than the person's own AP alone. This would mean that while the person would retain their own AP, no inheritable AP would be payable.

7.46 The amendment made by Article 33 stabilises the cap by replacing the formula from 6 April 2016 with a cash sum of £165.60, which equates to the maximum that could be accrued up to and including 2015/16 by a person reaching state pension age in 2016/17. This will be the maximum applicable to a person in the old state pension scheme with some AP of their own who is widowed and inherits AP in 2016/17. The intention is to increase the amount of the cap in line with price inflation from April 2017 onwards, in line with the index used to increase AP in payment.

Shared additional pension (articles 3, 4(2), 5(2), 7, 9(2), 11(3), 18(2), 25, 26, 29(4), 37(a), 39(3), 40(2) and 43(c))

7.47 Under the old state pension scheme, as part of a divorce or dissolution settlement, the Courts can make an order requiring a person's additional state pension to be shared with their former spouse or civil partner. Where proceedings begin on or after 6 April 2016 and the person whose state pension is to be shared is in the new state pension, the shareable state scheme rights are the person's "protected payment" (see footnote to paragraph 7.4). The amendments ensure that existing provisions relating to shared additional pension for a former spouse or civil partner in the old scheme will apply where their pension share is based on a new scheme pension credit.

Consolidation of old state pension Category B rules (articles 22, 43(a) and 44)

7.48 The provisions under which a person may qualify for a Category B pension (old state pension based on a spouse or civil partner's NI contributions) are amended by the 2014 Act to restrict them to people reaching state pension age before 6 April 2016. The 2014 Act also substantially replaces the existing versions of those provisions with new versions which consolidate earlier amendments, including amendments made by the Marriage (Same Sex Couples) Act 2013 ("the 2013 Act"), which extended Category B pensions to same-sex spouses, but applies only in England and Wales. Those amendments are repealed by the 2014 Act from 6 April 2016 as they are either contained in the consolidated version or have no further application after that date.

7.49 Article 44 makes the equivalent repeals of provisions contained in the secondary legislation which replicated, for Scotland, the amendments made by the 2013 Act. These will have no further effect once the 2014 Act (which applies to the whole of GB) comes into force.

7.50 Articles 22 and 43(a) amend cross-references to the Category B provisions as a consequence of the consolidation.

Consolidation

7.51 Informal consolidated text of instruments which are the responsibility of the Department for Work and Pensions is available to the public free of charge via 'The Law Relating to Social Security' (Blue Volumes) on the Department's website at http://www.dwp.gov.uk/publications/specialist-guides/law-volumes/the-law-relating-to-social-security/ or the National Archive website legislation.gov.uk. An explanation as to which instruments are maintained on each site is available from http://www.dwp.gov.uk/docs/lawvolnews.pdf.

8. Consultation outcome

8.1 No public consultation has been undertaken on this instrument as the measures it implements are consequential, supplementary and incidental and mainly of a minor nature. As the amendments are being made in an Order they are exempt from formal referral to the Social Security Advisory Committee and Local Authority Associations.

9. Guidance

9.1 Guidance will be included in the technical instructions for staff delivering the state pension changes. Information about the more significant of the measures will be included in material about the new state pension available on gov.uk. Other Departments, public bodies and devolved administrations whose legislation is amended by the Order will issue their own guidance as necessary.

10. Impact

10.1 There is no impact on business, charities or voluntary bodies. The amendments made by Articles 34 and 35 (bridging pensions; see paragraph 7.35) ensure the continuity of the existing permissive arrangements and as such place no new additional burdens on pension schemes.

10.2 This instrument largely incorporates the new state pension into existing arrangements and therefore has no significant impact on the public sector.

10.3 An Impact Assessment has not been prepared for this instrument. The impact of the introduction of the new state pension was considered in the Impact Assessment for the new State Pension, first published when the Act gained Royal Assent in May 2014.[16]

11. Regulating small business

11.1 The legislation, apart from Articles 34 and 35 (bridging pensions), does not apply to activities that are undertaken by small businesses. As explained in paragraph 10.1 above, these amendments do not place any additional burden on small business.

12. Monitoring & review

12.1 The Department regularly publishes a range of statistics on pensioner incomes and pensioner poverty which are used to monitor trends and inform policy development. Administrative data on new state pension awards will be published on the DWP tabulation tool and be used to monitor the impact of the reforms in conjunction with survey data.

12.2 In relation to Articles 34 and 35, it is not appropriate to make statutory provision for a review in this instrument as the purpose of the amendments is simply to enable schemes to continue to offer these arrangements. As such, the cost of conducting a statutory review and monitoring impacts would be disproportionate.

13. Contact

13.1 Helen Gadd at the Department for Work and Pensions, Telephone: 020 7449 7142 or email: Helen.Gadd@dwp.gsi.gov.uk can answer any queries regarding the instrument.

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[16] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/311316/pensions-act-ia-annex-a-single-tier-state-pension.pdf . The main findings were updated in July 2014: https://www.gov.uk/government/publications/single-tier-pension-updated-impact-analysis-july-2014