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STATUTORY INSTRUMENTS

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**2016 No. 232**

**SOCIAL SECURITY**

**The Universal Credit (Transitional Provisions) (Amendment) Regulations 2016**

*Made* - - - - *24th February 2016*  
*Laid before Parliament* *2nd March 2016*  
*Coming into force* - - *1st April 2016*

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 42(2) and (3) of, and paragraphs 1(1) and 6 of Schedule 6 to, the Welfare Reform Act 2012<sup>(1)</sup>.

In accordance with section 173(1) of the Social Security Administration Act 1992 (“the 1992 Act”), the Secretary of State has obtained the agreement of the Social Security Advisory Committee that proposals in respect of these Regulations should not be referred to it.

**Citation and commencement**

1.—(1) These Regulations may be cited as the Universal Credit (Transitional Provisions) (Amendment) Regulations 2016.

(2) They come into force on 1st April 2016.

**Amendment of the Universal Credit (Transitional Provisions) Regulations 2014**

2. In regulation 12 of the Universal Credit (Transitional Provisions) Regulations 2014<sup>(2)</sup> (Modification of tax credits legislation: overpayments and penalties), for paragraph (4) substitute—

“(4) For section 29(4) substitute —

“(4) Where a notice states that this subsection applies in relation to an amount (or part of an amount), it may be recovered—

(a) subject to provision made by regulations, by deduction from payments of any tax credit under an award made for any period to the person, or either or both of the persons, to whom the notice was given; or

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(1) 2012 c. 5.  
(2) S.I. 2014/1230.

- (b) subject to regulations made by the Secretary of State under the Social Security Administration Act 1992<sup>(3)</sup>—
  - (i) by deductions under section 71ZC of that Act (Deduction from benefit—including universal credit);
  - (ii) by deductions under section 71ZD of that Act (Deduction from earnings); or
  - (iii) as set out in section 71ZE of that Act (Court action etc).”.”.

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

24th February 2016

*Freud*  
Minister of State,  
Department for Work and Pensions

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(3) 1992 c. 5. Sections 71ZC, 71ZD and 71ZE were inserted by section 105 of the Welfare Reform Act 2012.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Universal Credit (Transitional Provisions) Regulations 2014 ([S.I. 2014/1230](#)) (“the 2014 Regulations”).

Section 29 of the Tax Credits Act 2002 provides for notice to be given to any person or persons who are liable to repay an overpayment of tax credit. Where the notice states that section 29(4) applies, the amount in question may be recovered by deductions from payments of tax credit.

Regulation 12(4) of the 2014 Regulations modifies the operation of section 29(4) to provide alternative means of recovery in cases where a person entitled to a tax credit claims universal credit. This currently provides for recovery by deductions from universal credit. These Regulations substitute a new version of regulation 12(4) which provides for recovery by deductions from benefit (including universal credit) under section 71ZC of the Social Security Administration Act 1992, deductions from earnings under section 71ZD of that Act or through court action etc. as set out in section 71ZE of that Act.

A full impact assessment has not been produced for this instrument as no impact on the private sector or civil society organisations is foreseen.