

WELFARE REFORM ACT 2012

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 5: Social security: General

Section 119: Benefit offences: sanctions for repeated benefit fraud

608. *Section 119* amends section 7 (loss of benefit for second or subsequent conviction of benefit offence) of the SSFA 2001 to increase the periods of benefit payment disqualification following repeated benefit fraud. The benefit payment disqualifications will escalate according to the number of offences that have been committed, rather than according to the number of convictions. This means where there is a conviction, earlier offences counting toward escalation of the benefit payment disqualification would include offences dealt with by an agreement to pay a penalty under section 115A of SSAA 1992 (or the corresponding Northern Ireland provision) as an alternative to prosecution or dealt with by a caution.
609. *Subsection (5)* lists the conditions which must be satisfied for a payment disqualification for repeated benefit fraud to apply.
610. *Subsection (7)* inserts a new *subsection (6A)* into section 7 to define the “relevant period” of benefit payment disqualification for section 7, which will differ according to the number of repeated benefit offences committed.
611. New *subsection (6A)(a)* introduces a three year loss of benefit sanction for claimants convicted of a benefit offence preceded by two previous offences (disqualifying events). It only applies where the earliest offence occurs within five years of the second offence (which must have occurred within five years of the current offence). New *subsection (6A)(b)* introduces a 26 week period, to apply in all other cases, meaning cases where a claimant is convicted of a benefit offence preceded by one disqualifying event within five years of the current offence.
612. *Subsection (8)* inserts new *subsection (7A) and (7B)* which provide for payments and adjustments where the agreement of a person to pay a penalty under section 115A of the SSAA 1992 (or the corresponding Northern Ireland provision) is taken into account for the purposes of section 7, but at a later date the agreement is withdrawn, or it is decided that the overpayment to which the notice relates is not recoverable or due, or the amount of the overpayment to which the penalty relates is revised and there is no new agreement in relation to the revised overpayment.
613. New *subsection (8A)* inserted by *subsection (10)*, provides that where a person is convicted of more than one offence in a set of proceedings, those offences are only counted once as a disqualifying event for the purposes of section 7.
614. *Subsection (11)* inserts new *subsections (10A) and (10B)* so that the Secretary of State has the power, by order, to amend the period of the benefit payment disqualification and to provide for different periods of payment disqualification to apply according to the type of earlier disqualifying events.