SOCIAL SECURITY FRAUD ACT 2001

EXPLANATORY NOTES

INTRODUCTION

These explanatory notes relate to the Social Security Fraud Act which received Royal Assent on 11 May 2001. They have been prepared by the Department of Social Security (DSS) in order to assist the reader of the Act and to help inform debate on it. They do not form part of the Act and have not been endorsed by Parliament.

The notes need to be read in conjunction with the Act. They are not, and are not meant to be, a comprehensive description of the Act. So where a clause or part of a clause does not seem to require explanation or comment, none is given.

Structure of the notes

The notes start with a brief overview of the Act as a whole and outline the four main elements contained within the Act. The notes are then divided into four parts which reflect the elements of the Act, and which provide the background to the changes. Each part then finishes with a detailed commentary on the clauses relevant to that part.

CONTENTS

	Page No.
Introduction	1
Contents	2
Overview	5
Information Sharing	8
Obtaining Information: Clauses 1 to 4	8
Summary and background	
Clause 1: Additional powers to obtain information.	9
Clause 2: Electronic access to information.	10
Clause 3: Code of practice about use of information powers.	10
Clause 4: Arrangements for payments in respect for information	10
Commentary on Clauses 1 to 4	
Clause 1: Additional powers to obtain information	12
Clause 2: Electronic access to information	15

These notes refer to the Social Security Fraud Act 2001 (c.11) which received Royal Assent on 11 May 2001

	Page No.
Clause 3: Code of practice about use of information powers	17
Clause 4: Arrangements for payments in respect of information	19
Exchanging Information: Clauses 5 and 6	
Summary and background	
Clause 5: Exchange of information with overseas authorities	20
Commentary on Clause 5	
Exchange of information with overseas authorities	22
Summary and background	
Clause 6: Exchange of information by authorities administering benefit	24
Commentary on Clause 6	
Exchange of information by authorities administering benefit	24
Loss of benefit provisions: Clauses 7 to 13	
Summary and background	
Clauses 7 to 13	25
Commentary on clauses 7 to 13	
Clause 7: Loss of benefit provisions	29
Clause 8: Effect of offence on joint-claim Jobseeker's Allowance	30
Clause 9: Effect of offence on benefits for members of offender's family	31
Clause 10: Power to supplement and mitigate loss of benefit provisions	32
Clause 11: Loss of benefit regulations	33
Clause 12: Consequential amendments	34
Clause 13: Interpretation of sections	34
Penalties as an alternative to prosecution: Clauses 14 and 15	
Summary and background	
Clause 14: Delegation of functions	35
Commentary on Clause 14	
Delegation of functions	37
Summary and background	
Clause 15: Colluding employers	38
Commentary on Clause 15	

These notes refer to the Social Security Fraud Act 2001 (c.11) which received Royal Assent on 11 May 2001

	Page No.
Colluding employers	40
Offences: Clauses 16 and 17	
Summary and background	
Clause 16: Offence to notify a change of circumstances	42
Commentary on clause 16	
Offence of failing to notify a change of circumstances	44
Summary and background	
Clause 17: Time limit for proceedings in Scotland	45
Commentary on clause 17	
Time limit for proceedings in Scotland	46
Hansard References	47
Commencement	46