

# EQUITABLE LIFE (PAYMENTS) ACT 2010

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## EXPLANATORY NOTES

### COMMENTARY

#### *Section 1: Payments*

21. *Subsections (1) and (2)* allow the Treasury to incur expenditure in connection with the making of payments to persons adversely affected by Government maladministration before December 2001 in the regulation of Equitable Life.
22. *Subsection (3)* confers on the Treasury the power to make provision for the payments to be disregarded for the purposes of tax, entitlement to tax credits, and liability to make a payment in respect of the provision under an enactment for goods and services (for example social care), and for the purposes of connected reporting requirements. Under the power the Treasury could provide for the payments to be tax free in the hands of recipients and/or that the payments would not affect recipients' access to certain means-tested support from public funds. *Subsection (4)* allows this power to be used selectively, so an order made under it could provide that the payments should affect eligibility for some, but not all state funded means-tested support. *Subsection (7)* allows it to be used in relation to enactments made by the devolved administrations.
23. *Subsection (5)* states that, should the Treasury decide to exercise the powers set out in *subsection (3)*, the affirmative resolution procedure will apply.
24. *Subsection (6)* enables National Savings and Investments (through its head, the Director of Savings) to act as payments scheme delivery partner if appointed by the Treasury.