

**EXPLANATORY MEMORANDUM TO**

**THE SOCIAL SECURITY (CLAIMS AND PAYMENTS AND PAYMENTS ON ACCOUNT, OVERPAYMENTS AND RECOVERY) AMENDMENT REGULATIONS 2005**

**2005 No.34**

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. Description**

2.1. The instrument amends the Social Security (Claims and Payments) Regulations 1987 and the Social Security (Payments on Account, Overpayments and Recovery) Regulations 1988. The amendments provide for claims to State Pensions and Graduated Retirement Benefit to generally be made by telephone and to allow for oral amendments to such claims, identification of an oral claim, and oral notification to be given, of the Department's right to recover any excess payments that arise as a result of the direct payment arrangements, during a telephone claim.

**3. Matters of special interest to the Joint Committee on Statutory Instruments.**

3.1. None

**4. Legislative Background**

4.1. The instrument is being made to deliver on the government's commitment to modernise the administration of State Pensions. The instrument is subject to the negative resolution procedure. The amendments made by the instrument give effect to more modern processes for claiming State Pensions by enabling claims to be made by telephone and provide an alternative method of claiming for pensioners.

**5. Extent**

5.1. This instrument applies to Great Britain. Similar Statutory Rules are to be introduced in respect of Northern Ireland.

**6. European Convention on Human Rights**

6.1. Not applicable

**7. Policy background**

7.1. In March 2000, the Government announced plans to transform pensions delivery as a component of the modernisation programme. This was followed by an announcement by the then Secretary of State for Social Security,

Alistair Darling, to bring together policy and operational responsibility for pensions and pensioners under a single organisation with the establishment of 'The Pension Service'. A copy of the Hansard extract is provided at Annex A.

- 7.2. Currently regulation 4(1) of the Social Security (Claims and Payments) Regulations 1987 stipulates that every claim to benefit must be made in writing. The instrument seeks to remove the requirement for a claim to be made in writing, where it is a claim to State Pension made by telephone.
- 7.3. Since the establishment of the Retirement Pension Tele-claim Centre in October 2000 pensioners have been able to use the telephone to make their State Pension claim. However, because regulation 4(1) of the Claims and Payments Regulations requires a claim in writing the information provided by telephone is printed onto a paper claim form which is sent to the claimant to check and put their signature to. None of the information recorded by the current tele-claims service is retained once the claim form has been printed. The claimant then returns the signed claim form to a Pension Centre where it is checked for completeness and processed. This requires a full review of the claim and the entering of all the details onto the computer system. In such cases, the date of receipt of the written claim is taken as the date of claim.
- 7.4. The amendments made by the instrument will reinforce use of the telephone as the primary method of service delivery by enabling simultaneous recording and processing of State Pension claims details. It will also eliminate some of the delays inherent in the current tele-claim process. For the majority of pensioners who choose to claim State Pension by telephone their claim will be dealt with on first contact with the Pension Service. There will be no requirement to return claim forms for signature, pensioners will deal with one tele-claims advisor and at the end of the telephone conversation the pensioner will be advised of the amount of State Pension based on all the information available at the end of the claim process.

### **Consultation**

- 7.5. The instrument was considered by the Social Security Advisory Committee at its meeting on 3<sup>rd</sup> November 2004. The Committee agreed not to consult on the instrument.

## **8. Regulatory and costs impacts**

- 8.1. A Regulatory Impact Assessment has not been produced for this instrument as it has no impact on business, charities or voluntary bodies.

## **9. Contact**

- 9.1. **Michelle Mathieson** at the Department for Work and Pensions – tel. 0207 712 2851 or e-mail: [Michelle.mathieson@dwp.gsi.gov.uk](mailto:Michelle.mathieson@dwp.gsi.gov.uk) can answer any queries on the instrument.

**Annex A – Hansard extract**  
**Official Report, House of Commons, 15 March 2000; Vol. 346, c. 309**

“The crux of the problem was that there was no clear line of accountability in the Department for ensuring that the policy changes were properly implemented or that information provided to the public was accurate and complete. That is symptomatic of a wider problem that I had already identified in the Department: it was not focused on the people whom it was meant to serve, who in this case were the pensioners of today and tomorrow.

I have already begun the process of change by focusing the Department on its key client groups: children, people of working age and pensioners. We need to give a better, dedicated service to pensioners. I am already setting up a modern service with better communications, so that pensioners can get information and advice on pensions and benefits available to them.

Today, I can announce the next step. I am bringing together policy and operational responsibility for pensions under a single organisation, distinct from the Benefits Agency. The new organisation will be solely focused on the needs of pensioners and pensions policy. It will deal with everything from policy development to front-line service delivery, and from changes in the law to changes in leaflets.”