
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Social Security Contributions and Benefits Act 1992 (c. 4) (“the Contributions and Benefits Act”), the Jobseekers Act 1995 (c. 18) (“the Jobseekers Act”) and the State Pension Credit Act 2002 (c. 16) (“the Pension Credit Act”) so as to allow adult dependency increases, incapacity benefit and state pension credit to take into account Pension Protection Fund periodic payments (“periodic PPF payments”), and for contribution-based jobseeker’s allowance to take into account PPF payments and Financial Assistance Scheme payments (“FAS payments”), in a similar way to that in which pensions and benefit payments are treated.

Article 2 introduces the Schedule containing the amendments.

Part 1 of the Schedule amends sections 30DD (incapacity benefit: reduction for pension payments) and 89 (earnings to include occupational and personal pensions for purposes of provisions relating to increases of benefits in respect of adult dependants) of the Contributions and Benefits Act to provide that periodic PPF payments are treated in the same manner as occupational and personal pensions for the purposes of determining whether incapacity benefit and increases of benefit for adult dependants are payable. It also introduces a definition of PPF periodic payments into that Act.

Part 2 of the Schedule amends the Jobseekers Act to specify that, for the purposes of contribution-based jobseeker’s allowance, PPF payments and FAS payments shall be taken into account when calculating the rate of contribution-based jobseeker’s allowance that is to be paid to a claimant. It also introduces definitions of PPF payments and FAS payments into that Act.

Part 3 of the Schedule amends the Pension Credit Act to include periodic PPF payments within the definition of “retirement provision” in section 7(6) (fixing of claimant’s retirement provision for assessed income period) to provide that periodic PPF payments are treated in the same manner as occupational and personal pensions for the purposes of the assessed income period. It also introduces a definition of periodic PPF payments into that Act.

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of business.