

**EXPLANATORY MEMORANDUM TO**  
**THE SOCIAL SECURITY BENEFIT (COMPUTATION OF EARNINGS)**  
**(AMENDMENT) REGULATIONS 2015**

**2015 No. 784**

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. Purpose of this instrument**

This instrument replaces the definition of “service user group” in the Social Security Benefit (Computation of Earnings) Regulations 1996 (S.I. 1996/2745) ("Computation of Earnings Regulations"), with one for ‘service user’.

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

None

**4. Legislative Context**

4.1 A ‘Service user group’ is currently defined in the Computation of Earnings Regulations as a group of individuals consulted by or on behalf of a range of bodies in relation to their policies or services. This definition has been replaced with ‘Service User’ as in income-related benefits legislation, namely the Income Support (General) Regulations 1987 (S.I. 1987/1967), the Jobseeker's Allowance Regulations 1996 (S.I. 1996/207), the State Pension Credit Regulations 2002 (S.I. 2002/1792), the Housing Benefit Regulations 2006 (S.I. 2006/213), and the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (S.I. 2006/214) (“the income-related benefits regulations”).

4.2 This instrument amends the Computation of Earnings Regulations to replace the definition ‘service user group’ with one for ‘service user’ so that the definition aligns with the income-related benefits regulations.

**5. Territorial Extent and Application**

This instrument applies to Great Britain. Equivalent provision will be made for Northern Ireland by statutory instrument.

**6. European Convention on Human Rights**

As this instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

**7. Policy background**

7.1. The definition of ‘service user group’ is being replaced for two reasons. Firstly, it was reviewed on the introduction of Universal Credit where The Universal Credit Regulations 2013 (S.I. 2013/376) include instead a definition of “a person participating as a service

user”. This definition is simpler and more flexible than the one used previously. While it is still limited to people who are consulted in the field of health, social care or social housing, it no longer contains references to the specific legislation under which service users must be consulted. The Universal Credit definition also specifically includes people consulted by research organisations, and the carers of people consulted, thus removing some confusion about the status of these groups. The Universal Credit definition has subsequently been adopted in other social security legislation.

7.2. Secondly, in the income-related benefits regulations, service users (i.e. claimants who are consulted by or on behalf of bodies with statutory duties to provide services in the field of health, social care or social housing) have payments in respect of expenses disregarded when their income is calculated for the purposes of entitlement to benefit.

7.3 People are also consulted by or on behalf of the Department in respect of its duty to perform functions in the field of social security, child support or labour market services. Many of the people consulted are in receipt of social security benefits. Until recently, any incentive payments made to participants were treated as capital payments which for the majority of people meant there was no effect on benefits.

7.4 Following a review of the policy, the Department has concluded that such incentive payments should be treated as income when determining entitlement to benefit. A disparity, however, will exist with claimants who participate in research for statutory bodies. This will also act as a deterrent to participation in DWP research; claimants are more likely to participate if they are not financially worse off for doing so.

7.5 The Department has amended the definition of ‘service user’ in the income-related benefits regulations to include claimants consulted by the Secretary of State in relation to his functions in the fields of social security, child support and labour market services and their carers. DWP research participants will therefore be treated in the same way as research participants in the areas of health, social care and social housing, i.e. any payments of expenses will be disregarded from earnings. Any other payments will be subject to the earnings rules applicable to the benefit in payment.

7.6 Accordingly, the Department seeks to amend the Computation of Earnings Regulations to replace the definition of ‘service user group’ with one of ‘service user’ that also makes reference to claimants consulted by the Secretary of State. This amendment to the Computation of Earnings Regulations will therefore bring all the relevant provisions into alignment.

- Consolidation

7.7 Informal consolidation of these instruments will be provided in due course with other informal consolidated text of instruments which are available to the public free of charge via ‘The Law Relating to Social Security’ (Blue Volumes) on the DWP website at <http://www.dwp.gov.uk/publications/specialist-guides/law-volumes/the-law-relating-to-social-security/> or the National Archive website [legislation.gov.uk](http://legislation.gov.uk). An explanation as to which instruments are maintained on each site is available <http://www.dwp.gov.uk/docs/lawvolnews.pdf>.”

## **8. Consultation outcome**

A formal consultation has not been carried out by the DWP on these Regulations. Consultation was not considered necessary for these changes as it simply aligns the Computation of Earnings Regulations with the income-related benefits regulations. Equivalent changes to the social security legislation were considered and approved by the Social Security Advisory Committee (SSAC). SSAC have been notified of the changes to the Computation of Earnings Regulations.

## **9. Guidance**

9.1 Guidance will be developed for staff in the Jobcentre Plus offices who advise customers, and for staff in benefit centres who determine benefit claims and administer awards, including decision makers.

9.2 Claimants will be informed about the changes, where relevant, at their interviews with their advisers. Leaflets and GOV.UK pages will be updated as necessary.

## **10. Impact**

10.1 There is no impact on business or civil society organisations.

10.2 The impact on the public sector is nil.

10.3 An Impact Assessment has not been produced for this instrument.

## **11. Regulating small business**

The legislation does not apply to small business.

## **12. Monitoring & review**

The operation of the Regulations will continue to be reviewed through the normal avenues of guidance enquiries received from Department for Work and Pensions offices and correspondence from members of the public.

## **13. Contact**

**Anila Naseem** at the Department of Work and Pensions (Tel: 0113 2324899 or e-mail: [anila.naseem@dwp.gsi.gov.uk](mailto:anila.naseem@dwp.gsi.gov.uk)) can answer any queries regarding this instrument.