

EXPLANATORY MEMORANDUM TO
THE UNIVERSAL CREDIT (PERSONS WHO HAVE ATTAINED STATE PENSION
CREDIT QUALIFYING AGE) AMENDMENT REGULATIONS 2020

2020 No. 655

1. Introduction

1.1 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 the instrument

2.1 Entitlement to Universal Credit ends when a single person or younger member of a mixed-age couple (where one partner is below and the other above pension age) reaches State Pension Credit qualifying age. At this point, claimants can make a claim to pension age income related benefits. This instrument improves the claimant journey as they move between these two benefit systems. The instrument also improves the journey in the other scenarios when claimants over pension age are required to move between working age and pension age benefits. This includes when a mixed-age couple forms, separates or suffers a bereavement.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

4.1 The territorial extent of this instrument is Great Britain.

4.2 The territorial application of this instrument is Great Britain.

4.3 Corresponding legislation for Northern Ireland is being made and laid in parallel to this instrument by the Department for Work and Pensions on behalf of the Department for Communities.

5. European Convention on Human Rights

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

6. Legislative Context

6.1 This instrument follows through on a commitment made by the Secretary of State for Work and Pensions in a [Written Ministerial Statement](#) dated 5 March 2020 and included in the March 2020 Budget.

7. Policy background

What is being done and why?

- 7.1 Entitlement to Universal Credit ends when a single person or younger member of a mixed-age couple reaches State Pension Credit qualifying age. From that age, claimants can claim pension age income-related benefits.
- 7.2 Currently, legislation provides for a part-month payment of Universal Credit to cover the period from the start of the monthly assessment period until the day State Pension Credit qualifying age is reached. This is subject to an advance claim to State Pension Credit being made.
- 7.3 To improve the current process, this instrument provides an alternative, which is available to all claimants (not just those who have made an advance claim to State Pension Credit) and is in line with the whole month approach essential to the overall design and policy of Universal Credit.
- 7.4 No one is adversely affected by this measure in comparison to the part-month payment currently provided for in legislation.
- 7.5 The claimant will have entitlement to Universal Credit for the entire monthly assessment period in which State Pension Credit qualifying age is reached, so in effect there is a run-on of Universal Credit entitlement past that age, helping to smooth the transition between working age and pension age benefits. For a mixed-age couple this will apply when the younger partner reaches State Pension Credit qualifying age.
- 7.6 Entitlement to State Pension Credit, pension age Housing Benefit and State Pension remain unaffected and can start from the usual date that entitlement begins.
- 7.7 This final payment of Universal Credit will not be taken into account when calculating awards of State Pension Credit or pension age Housing Benefit. Nor will any payment of State Pension Credit or pension age Housing Benefit be taken into account in the calculation of the final Universal Credit payment.
- 7.8 The run-on provided for by this instrument will affect approximately 200,000 households over the next five years who will benefit by an average of £350 from this run-on entitlement compared to the current process in legislation.
- 7.9 The instrument also ensures for a smooth transition in the other scenarios when claimants of pension age are required to move between working age and pension age benefits.
- 7.10 When a pension age partner forms a mixed-age couple with a working age partner, the provisions allow a similar run-on of the older partner's pension age benefits into the period of the couple's joint Universal Credit entitlement.
- 7.11 When a mixed-age couple separates or suffers a bereavement, the instrument ensures the pension age partner can claim pension age benefits from when they lose Universal Credit entitlement.

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

- 8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

9. Consolidation

- 9.1 Informal consolidated text of instruments is available to the public free of charge via the 'National Archive' website: www.legislation.gov.uk .

10. Consultation outcome

- 10.1 The Department presented the draft Regulations to the Social Security Advisory Committee (SSAC) on 13 May 2020. The Committee did not take the regulations on formal reference.
- 10.2 The Department has a statutory duty to consult on amendments to Housing Benefit regulations with the Local Authority Associations. They had no comments.

11. Guidance

- 11.1 Official guidance for Universal Credit and State Pension Credit will be published both internally and on gov.uk in time for the legislation coming into force.
- 11.2 The guidance about the changes to Housing Benefit will be available on the 'Housing Benefit for local authorities' section of Gov.UK which can be found at <https://www.gov.uk/government/collections/housing-benefit-for-local-authorities-circulars>. The Department routinely issues new guidance to Housing Benefit processing staff at least five weeks before a legislative change comes into effect.

12. Impact

- 12.1 There is no, or no significant, impact on business, charities or voluntary bodies.
- 12.2 The measure has an impact on the Department, with an estimated cost of £70 million over the next five years. This funding was agreed with Treasury at the March 2020 Budget. There is no significant impact on the wider public sector.
- 12.3 An Impact Assessment has not been prepared for this instrument because there is no impact on business.
- 12.4 The Department has concluded that no benefit recipient with a protected characteristic will be adversely affected by these amendments. The new measure has the potential to be more generous to claimants than the part-month payment currently provided for in legislation.

13. Regulating small business

- 13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

- 14.1 There are no plans to formally review the impacts of these amendments.
- 14.2 If issues arise in its operation the Department will evaluate and take appropriate action.
- 14.3 The Regulations do not include a statutory review clause.

15. Contact

- 15.1 Joseph Cook at the Department for Work and Pensions Telephone: 02031935526 or email: joseph.cook1@dwp.gov.uk can be contacted with any queries regarding the instrument.

- 15.2 Dave Higlett, on behalf of the Deputy Director for Universal Credit Policy, at the Department for Work and Pensions can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Will Quince, Minister for Welfare Delivery at the Department for Work and Pensions can confirm that this Explanatory Memorandum meets the required standard.