

Welfare Reform Bill

[AS AMENDED IN PUBLIC BILL COMMITTEE]

CONTENTS

PART 1

EMPLOYMENT AND SUPPORT ALLOWANCE

Entitlement

- 1 Employment and support allowance
- 2 Amount of contributory allowance
- 3 Deductions from contributory allowance: supplementary
- 4 Amount of income-related allowance
- 5 Advance award of income-related allowance
- 6 Amount payable where claimant entitled to both forms of allowance
- 7 Exclusion of payments below prescribed minimum

Assessments relating to entitlement

- 8 Limited capability for work
- 9 Limited capability for work-related activity

Conditionality

- 10 Work-focused health-related assessments
- 11 Work-focused interviews
- 12 Work-related activity
- 13 Action plans in connection with work-focused interviews
- 14 Directions about work-related activity
- 15 Contracting out

Miscellaneous

- 16 Income and capital: general
- 17 Disqualification
- 18 Pilot schemes
- 19 Relationship with statutory payments
- 20 Deemed entitlement for other purposes
- 21 Supplementary provisions
- 22 Recovery of sums in respect of maintenance

General

- 23 Interpretation of Part 1
- 24 Regulations
- 25 Parliamentary control
- 26 Financial provisions relating to Part 1
- 27 Consequential amendments relating to Part 1
- 28 Transition relating to Part 1

PART 2

HOUSING BENEFIT AND COUNCIL TAX BENEFIT

- 29 Local housing allowance
- 30 Loss of housing benefit following eviction for anti-social behaviour, etc.
- 31 Housing benefit and council tax benefit for persons taking up employment
- 32 Section 31: supplemental
- 33 Sections 31 and 32: interpretation
- 34 Information relating to housing benefit
- 35 Supply of information by rent officers
- 36 Payment of housing benefit
- 37 Duty to send inspection reports to the Secretary of State
- 38 Directions by Secretary of State
- 39 Minor and consequential amendments relating to Part 2

PART 3

SOCIAL SECURITY ADMINISTRATION: GENERAL

Sharing of social security information

- 40 Social security information
- 41 Information relating to certain benefits
- 42 Unlawful disclosure of certain information

Overpayment recovery

- 43 Recovery of overpaid benefit: Great Britain
- 44 Recovery of overpaid child benefit and guardian's allowance: Northern Ireland

Benefit fraud

- 45 Local authority powers to investigate benefit fraud
- 46 Local authority powers to prosecute benefit fraud
- 47 Local authority functions relating to benefit: information
- 48 Loss of benefit for commission of benefit offences

PART 4

MISCELLANEOUS

Benefits for bereaved persons

- 49 Widowed mother's allowance

50 Widowed parent's allowance

Disability living allowance: age conditions

51 Care component of disability living allowance: persons under the age of 16
 52 Mobility component of disability living allowance: persons under the age of 16

Social fund

53 Matters to which regard must be had in awarding budgeting loans
 54 Allocations from Social Fund

Vaccine Damage Payments Act 1979

55 Overseas vaccinations
 56 Appeals to appeal tribunal in Northern Ireland

Compensation for pneumoconiosis etc.

57 "Relevant employer"
 58 "Dependant"

Other

59 Power to stop payment of allowances to care home residents
 60 Independent Living Funds
 61 Minor and consequential amendments relating to Part 4

PART 5

GENERAL

62 Northern Ireland
 63 General interpretation
 64 Financial provisions: general
 65 Repeals
 66 Transition
 67 Extent
 68 Commencement
 69 Short title

Schedule 1 – Employment and support allowance: additional conditions
 Part 1 – Contributory allowance
 Part 2 – Income-related allowance
 Schedule 2 – Employment and support allowance: supplementary provisions
 Schedule 3 – Consequential amendments relating to Part 1
 Schedule 4 – Transition relating to Part 1
 Schedule 5 – Minor and consequential amendments relating to Part 2

- Schedule 6 – Schedule to be inserted in the Pneumoconiosis etc. (Workers’ Compensation) Act 1979
- Schedule 7 – Minor and consequential amendments relating to Part 4
- Schedule 8 – Repeals

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B I L L

[AS AMENDED IN PUBLIC BILL COMMITTEE]

TO

Make provision about social security; to amend the Vaccine Damage Payments Act 1979; and for connected purposes.

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

PART 1

EMPLOYMENT AND SUPPORT ALLOWANCE

Entitlement

1 Employment and support allowance

- (1) An allowance, to be known as an employment and support allowance, shall be payable in accordance with the provisions of this Part. 5
- (2) Subject to the provisions of this Part, a claimant is entitled to an employment and support allowance if he satisfies the basic conditions and either—
- (a) the first and the second conditions set out in Part 1 of Schedule 1 (conditions relating to national insurance) or the third condition set out in that Part of that Schedule (condition relating to youth), or 10
 - (b) the conditions set out in Part 2 of that Schedule (conditions relating to financial position).
- (3) The basic conditions are that the claimant—
- (a) has limited capability for work, 15
 - (b) is at least 16 years old,
 - (c) has not reached pensionable age,
 - (d) is in Great Britain,
 - (e) is not entitled to income support, and

- (f) is not entitled to a jobseeker’s allowance (and is not a member of a couple who are entitled to a joint-claim jobseeker’s allowance).
- (4) For the purposes of this Part, a person has limited capability for work if—
- (a) his capability for work is limited by his physical or mental condition, and
 - (b) the limitation is such that it is not reasonable to require him to work.
- (5) An employment and support allowance is payable in respect of a week.
- (6) In subsection (3) —
- “joint-claim jobseeker’s allowance” means a jobseeker’s allowance entitlement to which arises by virtue of section 1(2B) of the Jobseekers Act 1995 (c. 18);
- “pensionable age” has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 (c. 26).
- (7) In this Part —
- “contributory allowance” means an employment and support allowance entitlement to which is based on subsection (2)(a);
- “income-related allowance” means an employment and support allowance entitlement to which is based on subsection (2)(b).

2 Amount of contributory allowance

- (1) In the case of a contributory allowance, the amount payable in respect of a claimant shall be calculated by —
- (a) taking such amount as may be prescribed,
 - (b) if in his case the conditions of entitlement to the support component or the work-related activity component are satisfied, adding the amount of that component, and
 - (c) making prescribed deductions in respect of any payments to which section 3 applies.
- (2) The conditions of entitlement to the support component are —
- (a) that the assessment phase has ended,
 - (b) that the claimant has limited capability for work-related activity, and
 - (c) that such other conditions as may be prescribed are satisfied.
- (3) The conditions of entitlement to the work-related activity component are —
- (a) that the assessment phase has ended,
 - (b) that the claimant does not have limited capability for work-related activity, and
 - (c) that such other conditions as may be prescribed are satisfied.
- (4) Regulations may —
- (a) prescribe circumstances in which paragraph (a) of subsection (2) or (3) is not to apply;
 - (b) prescribe circumstances in which entitlement under subsection (2) or (3) is to be backdated;
 - (c) make provision about the amount of the component under subsection (2) or (3).
- (5) For the purposes of this Part, a person has limited capability for work-related activity if —

- (a) his capability for work-related activity is limited by his physical or mental condition, and
- (b) the limitation is such that it is not reasonable to require him to undertake such activity.

3 Deductions from contributory allowance: supplementary 5

(1) This section applies to payments of the following kinds which are payable to the claimant –

- (a) pension payments,
- (b) PPF periodic payments, and
- (c) payments of a prescribed description made to a person who is a member of, or has been appointed to, a prescribed body carrying out public or local functions. 10

(2) Regulations may –

- (a) disapply section 2(1)(c), so far as relating to pension payments or PPF periodic payments, in relation to persons of a prescribed description; 15
- (b) provide for pension payments or PPF periodic payments of a prescribed description to be treated for the purposes of that provision as not being payments to which this section applies;
- (c) provide for sums of a prescribed description to be treated for the purposes of this section as payable to persons as pension payments or PPF periodic payments (including, in particular, sums in relation to which there is a deferred right of receipt); 20
- (d) make provision for the method of determining how payments to which this section applies are, for the purposes of section 2, to be related to periods for which a person is entitled to a contributory allowance. 25

(3) In this section –

“pension payment” means –

- (a) a periodical payment made in relation to a person under a personal pension scheme or, in connection with the coming to an end of an employment of his, under an occupational pension scheme or a public service pension scheme, 30
- (b) a payment of a prescribed description made under an insurance policy providing benefits in connection with physical or mental illness or disability, and
- (c) such other payments as may be prescribed; 35

“PPF periodic payment” means –

- (a) any periodic compensation payment made in relation to a person, payable under the pension compensation provisions as specified in section 162(2) of the Pensions Act 2004 (c. 35) or Article 146(2) of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1)) (the pension compensation provisions), and 40
- (b) any periodic payment made in relation to a person, payable under section 166 of the Pensions Act 2004 or Article 150 of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1)) (duty to pay scheme benefits unpaid at assessment date etc.). 45

(4) For the purposes of subsection (3), “occupational pension scheme”, “personal pension scheme” and “public service pension scheme” each have the meaning

given by section 1 of the Pension Schemes Act 1993 (c. 48), except that “personal pension scheme” includes –

- (a) an annuity contract or trust scheme approved under section 620 or 621 of the Income and Corporation Taxes Act 1988 (c. 1), and
- (b) a substituted contract within the meaning of section 622(3) of that Act, which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 to the Finance Act 2004 (c. 12).

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4 Amount of income-related allowance

- (1) In the case of an income-related allowance, the amount payable in respect of a claimant shall be –

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- (a) if he has no income, the applicable amount;
- (b) if he has an income, the amount by which the applicable amount exceeds his income.

- (2) Subject to subsection (3), the applicable amount for the purposes of subsection (1) shall be calculated by –

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- (a) taking such amount, or the aggregate of such amounts, as may be prescribed, and
- (b) if in the claimant’s case the conditions of entitlement to the support component or the work-related activity component are satisfied, adding the amount of that component.

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- (3) Regulations may provide that, in prescribed cases, the applicable amount for the purposes of subsection (1) shall be nil.

- (4) The conditions of entitlement to the support component are –

- (a) that the assessment phase has ended,
- (b) that the claimant has limited capability for work-related activity, and
- (c) that such other conditions as may be prescribed are satisfied.

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- (5) The conditions of entitlement to the work-related activity component are –

- (a) that the assessment phase has ended,
- (b) that the claimant does not have limited capability for work-related activity, and
- (c) that such other conditions as may be prescribed are satisfied.

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- (6) Regulations may –

- (a) prescribe circumstances in which paragraph (a) of subsection (4) or (5) is not to apply;
- (b) prescribe circumstances in which entitlement under subsection (4) or (5) is to be backdated;
- (c) make provision about the amount of the component under subsection (4) or (5).

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5 Advance award of income-related allowance

- (1) This section applies to claims for an employment and support allowance by a person who –

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- (a) would be entitled to an income-related allowance, but for the fact that he does not satisfy the condition in paragraph 6(1)(a) of Schedule 1,

- (b) would satisfy that condition if he were entitled to the component mentioned in section 4(4) or (5), and
 - (c) is not entitled to a contributory allowance.
 - (2) In relation to claims to which this section applies, section 5(1) of the Administration Act (regulations about claims for benefit) shall have effect as if –
 - (a) in paragraph (d) (power to permit an award on a claim for benefit for a future period to be made subject to the condition that the claimant satisfies the requirements for entitlement when the benefit becomes payable under the award), there were inserted at the end “and to such other conditions as may be prescribed”, and
 - (b) in paragraph (e) (power to provide for such an award to be revised or superseded under the Social Security Act 1998 (c. 14) if any of those requirements are found not to have been satisfied), for “any of those requirements” there were substituted “any of the conditions to which the award is made subject”.
 - (3) Regulations may, in relation to claims to which this section applies, make provision enabling an award to be made on terms such that the time at which benefit becomes payable under the award is later than the start of the period for which the award is made.
- 6 Amount payable where claimant entitled to both forms of allowance**
- (1) This section applies where a claimant is entitled to both a contributory allowance and an income-related allowance.
 - (2) If the claimant has no income, the amount payable by way of an employment and support allowance shall be the greater of –
 - (a) his personal rate, and
 - (b) the applicable amount.
 - (3) If the claimant has an income, the amount payable by way of an employment and support allowance shall be the greater of –
 - (a) his personal rate, and
 - (b) the amount by which the applicable amount exceeds his income.
 - (4) Where the amount payable to the claimant by way of an employment and support allowance does not exceed his personal rate, the allowance shall be treated as attributable to the claimant’s entitlement to a contributory allowance.
 - (5) Where the amount payable to the claimant by way of an employment and support allowance exceeds his personal rate, the allowance shall be taken to consist of two elements, namely –
 - (a) an amount equal to his personal rate, and
 - (b) an amount equal to the excess.
 - (6) The element mentioned in subsection (5)(a) shall be treated as attributable to the claimant’s entitlement to a contributory allowance.
 - (7) The element mentioned in subsection (5)(b) shall be treated as attributable to the claimant’s entitlement to an income-related allowance.
 - (8) In this section –

“applicable amount” means the amount which, in the claimant’s case, is the applicable amount for the purposes of section 4(1);

“personal rate” means the amount calculated in accordance with section 2(1).

7 Exclusion of payments below prescribed minimum 5

Except in such circumstances as regulations may provide, an employment and support allowance shall not be payable where the amount otherwise payable would be less than a prescribed minimum.

Assessments relating to entitlement

8 Limited capability for work 10

- (1) For the purposes of this Part, whether a person’s capability for work is limited by his physical or mental condition and, if it is, whether the limitation is such that it is not reasonable to require him to work shall be determined in accordance with regulations.
- (2) Regulations under subsection (1) shall – 15
 - (a) provide for determination on the basis of an assessment of the person concerned;
 - (b) define the assessment by reference to the extent to which a person who has some specific disease or bodily or mental disablement is capable or incapable of performing such activities as may be prescribed; 20
 - (c) make provision as to the manner of carrying out the assessment.
- (3) Regulations under subsection (1) may, in particular, make provision –
 - (a) as to the information or evidence required for the purpose of determining the matters mentioned in that subsection;
 - (b) as to the manner in which that information or evidence is to be provided; 25
 - (c) for a person in relation to whom it falls to be determined whether he has limited capability for work to be called to attend for such medical examination as the regulations may require.
- (4) Regulations under subsection (1) may include provision – 30
 - (a) for a person to be treated as not having limited capability for work if he fails without good cause –
 - (i) to provide information or evidence which he is required under such regulations to provide,
 - (ii) to provide information or evidence in the manner in which he is required under such regulations to provide it, or 35
 - (iii) to attend for, or submit himself to, a medical examination for which he is called under such regulations to attend;
 - (b) as to matters which are, or are not, to be taken into account in determining for the purposes of any provision made by virtue of paragraph (a) whether a person has good cause for any act or omission; 40
 - (c) as to circumstances in which a person is, or is not, to be regarded for the purposes of any such provision as having good cause for any act or omission.

- (5) Regulations may provide that, in prescribed circumstances, a person in relation to whom it falls to be determined whether he has limited capability for work, shall, if prescribed conditions are met, be treated as having limited capability for work until such time as –
- (a) it has been determined whether he has limited capability for work, or 5
 - (b) he falls in accordance with regulations under this section to be treated as not having limited capability for work.
- (6) The prescribed conditions referred to in subsection (5) may include the condition that it has not previously been determined, within such period as may be prescribed, that the person in question does not have, or is to be treated as not having, limited capability for work. 10

9 Limited capability for work-related activity

- (1) For the purposes of this Part, whether a person’s capability for work-related activity is limited by his physical or mental condition and, if it is, whether the limitation is such that it is not reasonable to require him to undertake such activity shall be determined in accordance with regulations. 15
- (2) Regulations under subsection (1) shall –
- (a) provide for determination on the basis of an assessment of the person concerned;
 - (b) define the assessment by reference to such matters as the regulations may provide; 20
 - (c) make provision as to the manner of carrying out the assessment.
- (3) Regulations under subsection (1) may, in particular, make provision –
- (a) as to the information or evidence required for the purpose of determining the matters mentioned in that subsection; 25
 - (b) as to the manner in which that information or evidence is to be provided;
 - (c) for a person in relation to whom it falls to be determined whether he has limited capability for work-related activity to be called to attend for such medical examination as the regulations may require. 30
- (4) Regulations under subsection (1) may include provision –
- (a) for a person to be treated as not having limited capability for work-related activity if he fails without good cause –
- (i) to provide information or evidence which he is required under such regulations to provide, 35
 - (ii) to provide information or evidence in the manner in which he is required under such regulations to provide it, or
 - (iii) to attend for, or submit himself to, a medical examination for which he is called under such regulations to attend;
- (b) as to matters which are, or are not, to be taken into account in determining for the purposes of any provision made by virtue of paragraph (a) whether a person has good cause for any act or omission; 40
 - (c) as to circumstances in which a person is, or is not, to be regarded for the purposes of any such provision as having good cause for any act or omission. 45

*Conditionality***10 Work-focused health-related assessments**

- (1) Regulations may make provision for or in connection with imposing on a person who is –
- (a) entitled to an employment and support allowance, and 5
 - (b) not a member of the support group,
- a requirement to take part in one or more work-focused health-related assessments as a condition of continuing to be entitled to the full amount payable to him in respect of the allowance apart from the regulations.
- (2) Regulations under this section may, in particular, make provision – 10
- (a) prescribing circumstances in which such a person is subject to a requirement to take part in one or more work-focused health-related assessments;
 - (b) for notifying such a person of any such requirement;
 - (c) prescribing the work-focused health-related assessments in which a person who is subject to such a requirement is required to take part; 15
 - (d) for the determination, and notification, of the time and place of any such assessment;
 - (e) prescribing circumstances in which a person attending such an assessment is to be regarded as having, or not having, taken part in it; 20
 - (f) for securing that the appropriate consequence follows if a person who is required under the regulations to take part in a work-focused health-related assessment –
 - (i) fails to take part in the assessment, and
 - (ii) does not, within a prescribed period, show that he had good cause for that failure; 25
 - (g) prescribing matters which are, or are not, to be taken into account in determining whether a person had good cause for any failure to comply with the regulations;
 - (h) prescribing circumstances in which a person is, or is not, to be regarded as having good cause for any such failure. 30
- (3) For the purposes of subsection (2)(f), the appropriate consequence of a failure falling within that provision is that the amount payable to the person in question in respect of an employment and support allowance is reduced in accordance with regulations. 35
- (4) Regulations under subsection (3) may, in particular, make provision for determining –
- (a) the amount by which an allowance is to be reduced,
 - (b) when the reduction is to start, and
 - (c) how long it is to continue, 40
- and may include provision prescribing circumstances in which the amount of the reduction is to be nil.
- (5) Regulations under this section shall include provision for a requirement to take part in one or more work-focused health-related assessments to cease to have effect if the person subject to the requirement becomes a member of the support group. 45
- (6) Regulations under this section may include provision –

- (a) that in such circumstances as the regulations may prescribe a requirement to take part in a work-focused health-related assessment that would otherwise apply to a person by virtue of such regulations is not to apply, or is to be treated as not having applied;
 - (b) that in such circumstances as the regulations may prescribe such a requirement is not to apply until a prescribed time; 5
 - (c) that in such circumstances as the regulations may prescribe the time and place of a work-focused health-related assessment in which a person is required by regulations under this section to take part may be redetermined. 10
- (7) In this section, “work-focused health-related assessment” means an assessment by a health care professional approved by the Secretary of State which is carried out for the purpose of assessing –
- (a) the extent to which a person still has capability for work,
 - (b) the extent to which his capability for work may be improved by the taking of steps in relation to his physical or mental condition, and 15
 - (c) such other matters relating to his physical or mental condition and the likelihood of his obtaining or remaining in work or being able to do so, as may be prescribed.
- (8) The reference in subsection (7) to a health care professional is to a member of a profession (whether or not regulated by, or by virtue of, any enactment) which is concerned (wholly or partly) with the physical or mental health of individuals. 20

11 Work-focused interviews

- (1) Regulations may make provision for or in connection with imposing on a person who is – 25
- (a) entitled to an employment and support allowance, and
 - (b) not a member of the support group,
- a requirement to take part in one or more work-focused interviews as a condition of continuing to be entitled to the full amount payable to him in respect of the allowance apart from the regulations. 30
- (2) Regulations under this section may, in particular, make provision –
- (a) prescribing circumstances in which such a person is subject to a requirement to take part in one or more work-focused interviews;
 - (b) for notifying such a person of any such requirement; 35
 - (c) prescribing the work-focused interviews in which a person who is subject to such a requirement is required take part;
 - (d) for determining, in relation to work-focused interviews under the regulations, when and how the interview is to be conducted and, if it is to be conducted face to face, where it is to take place; 40
 - (e) for notifying persons who are required under the regulations to take part in a work-focused interview of what is determined in respect of the matters mentioned in paragraph (d);
 - (f) prescribing circumstances in which a person who is a party to a work-focused interview under the regulations is to be regarded as having, or not having, taken part in it; 45

- (g) for securing that the appropriate consequence follows if a person who is required under the regulations to take part in a work-focused interview –
- (i) fails to take part in the interview, and
 - (ii) does not, within a prescribed period, show that he had good cause for that failure; 5
- (h) prescribing matters which are, or are not, to be taken into account in determining whether a person had good cause for any failure to comply with the regulations;
- (i) prescribing circumstances in which a person is, or is not, to be regarded as having good cause for any such failure. 10
- (3) For the purposes of subsection (2)(g), the appropriate consequence of a failure falling within that provision is that the amount payable to the person in question in respect of an employment and support allowance is reduced in accordance with regulations. 15
- (4) Regulations under subsection (3) may, in particular, make provision for determining –
- (a) the amount by which an allowance is to be reduced,
 - (b) when the reduction is to start, and
 - (c) how long it is to continue, 20
- and may include provision prescribing circumstances in which the amount of the reduction is to be nil.
- (5) Regulations under this section shall include provision for a requirement to take part in one or more work-focused interviews to cease to have effect if the person subject to the requirement becomes a member of the support group. 25
- (6) Regulations under this section may include provision –
- (a) that in such circumstances as the regulations may prescribe a requirement to take part in a work-focused interview that would otherwise apply to a person by virtue of such regulations is not to apply, or is to be treated as not having applied; 30
 - (b) that in such circumstances as the regulations may prescribe such a requirement is not to apply until a prescribed time;
 - (c) that in such circumstances as the regulations may prescribe matters mentioned in subsection (2)(d) may be redetermined.
- (7) In this section, “work-focused interview” means an interview by the Secretary of State conducted for such purposes connected with getting the person interviewed into work, or keeping him in work, as may be prescribed. 35

12 Work-related activity

- (1) Regulations may make provision for or in connection with imposing on a person who is subject to a requirement imposed under section 11(1) a requirement to undertake work-related activity in accordance with regulations as a condition of continuing to be entitled to the full amount payable to him in respect of an employment and support allowance apart from the regulations. 40
- (2) Regulations under this section may, in particular, make provision –
- (a) prescribing circumstances in which such a person is subject to a requirement to undertake work-related activity in accordance with regulations; 45

- (b) for notifying such a person of any such requirement;
 - (c) prescribing the time or times at which a person who is subject to such a requirement is required to undertake work-related activity and the amount of work-related activity he is required at any time to undertake;
 - (d) prescribing circumstances in which a person who is subject to such a requirement is, or is not, to be regarded as undertaking work-related activity; 5
 - (e) for securing that the appropriate consequence follows if a person who is subject to such a requirement –
 - (i) fails to comply with the regulations, and 10
 - (ii) does not, within a prescribed period, show that he had good cause for that failure;
 - (f) prescribing the evidence which a person who is subject to such a requirement needs to provide in order to show that he has complied with the regulations; 15
 - (g) prescribing matters which are, or are not, to be taken into account in determining whether a person has complied with the regulations;
 - (h) prescribing matters which are, or are not, to be taken into account in determining whether a person had good cause for any failure to comply with the regulations; 20
 - (i) prescribing circumstances in which a person is, or is not, to be regarded as having good cause for any such failure.
- (3) For the purposes of subsection (2)(e), the appropriate consequence of a failure falling within that provision is that the amount payable to the person in question in respect of an employment and support allowance is to be reduced in accordance with regulations. 25
- (4) Regulations under subsection (3) may, in particular, make provision for determining –
 - (a) the amount by which an allowance is to be reduced,
 - (b) when the reduction is to start, and 30
 - (c) how long it is to continue,and may include provision prescribing circumstances in which the amount of the reduction is to be nil.
- (5) Regulations under this section shall include provision for a requirement to undertake work-related activity in accordance with regulations to cease to have effect if the person subject to the requirement becomes a member of the support group. 35
- (6) Regulations under this section may include provision that in such circumstances as the regulations may provide a person’s obligation under the regulations to undertake work-related activity at a particular time is not to apply, or is to be treated as not having applied. 40
- (7) In this Part, “work-related activity”, in relation to a person, means activity which makes it more likely that the person will obtain or remain in work or be able to do so.
- 13 Action plans in connection with work-focused interviews 45**
- (1) The Secretary of State shall in prescribed circumstances provide a person subject to a requirement imposed under section 11(1) with a document

prepared for such purposes as may be prescribed (in this section referred to as an action plan).

- (2) Regulations may make provision about –
 - (a) the form of action plans;
 - (b) the content of action plans; 5
 - (c) the review and updating of action plans.
- (3) Regulations under this section may, in particular, make provision for action plans which are provided to a person who is subject under section 12 to a requirement to undertake work-related activity to contain particulars of activity which, if undertaken, would enable the requirement to be met. 10
- (4) Regulations may make provision for reconsideration of an action plan at the request of the person to whom the plan is provided and may, in particular, make provision about –
 - (a) the circumstances in which reconsideration may be requested;
 - (b) the period within which any reconsideration must take place; 15
 - (c) the matters to which regard must be had when deciding on reconsideration whether the plan should be changed;
 - (d) notification of the decision on reconsideration;
 - (e) the giving of directions for the purpose of giving effect to the decision on reconsideration. 20

14 Directions about work-related activity

- (1) In prescribed circumstances, the Secretary of State may by direction given to a person subject to a requirement imposed under section 12(1) provide that the undertaking of activity specified in the direction is, in his case, to be treated as not being the undertaking of work-related activity. 25
- (2) The power under subsection (1) to give directions –
 - (a) is exercisable by instrument in writing, and
 - (b) includes power to vary or revoke a direction given in previous exercise of the power.
- (3) Where a direction under subsection (1) varies or revokes a previous direction, it may provide for the variation or revocation to have effect from a time before the giving of the direction. 30
- (4) Regulations may make provision for decisions under this section to be treated for the purposes of section 12 of the Social Security Act 1998 (c. 14) (appeal to appeal tribunal) as decisions to which that section applies. 35

15 Contracting out

- (1) The following functions of the Secretary of State may be exercised by, or by employees of, such person (if any) as the Secretary of State may authorise for the purpose, namely –
 - (a) conducting interviews under section 11; 40
 - (b) providing documents under section 13;
 - (c) giving, varying or revoking directions under section 14.

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- (2) Regulations may provide for any of the following functions of the Secretary of State to be exercisable by, or by employees of, such person (if any) as the Secretary of State may authorise for the purpose –
- (a) any function conferred or imposed expressly on the Secretary of State by regulations under any of sections 10 to 14; 5
 - (b) any function conferred or imposed on the Secretary of State by virtue of the application in relation to such regulations of section 8(1)(c) of the Social Security Act 1998 (c. 14) (decisions under certain enactments to be made by the Secretary of State);
 - (c) the function under section 9(1) of that Act (revision of decisions), so far as relating to decisions that relate to any matter arising under such regulations; 10
 - (d) the function under section 10(1) of that Act (superseding of decisions), so far as relating to decisions of the Secretary of State that relate to any matter arising under such regulations; 15
 - (e) any function under Chapter 2 of Part 1 of that Act (social security decisions), except section 25(2) and (3) (decisions involving issues that arise on appeal in other cases), which relates to the exercise of any of the functions mentioned in paragraphs (a) to (d).
- (3) Regulations under subsection (2) may provide that a function to which that subsection applies may be exercised – 20
- (a) either wholly or to such extent as the regulations may provide,
 - (b) either generally or in such cases or areas as the regulations may provide, and
 - (c) either unconditionally or subject to the fulfilment of such conditions as the regulations may provide. 25
- (4) An authorisation given by virtue of subsection (1), or by virtue of regulations under subsection (2), may authorise the exercise of the function concerned –
- (a) either wholly or to such extent as may be specified in the authorisation,
 - (b) either generally or in such cases or areas as may be so specified, and 30
 - (c) either unconditionally or subject to the fulfilment of such conditions as may be so specified.
- (5) In the case of an authorisation given by virtue of regulations under subsection (2), subsection (4) is subject to the provisions of the regulations.
- (6) An authorisation given by virtue of subsection (1), or by virtue of regulations under subsection (2) – 35
- (a) may specify its duration,
 - (b) may be revoked at any time by the Secretary of State, and
 - (c) shall not prevent the Secretary of State or any other person from exercising the function to which the authorisation relates. 40
- (7) Where a person is authorised to exercise any function by virtue of subsection (1), or by virtue of regulations under subsection (2), anything done or omitted to be done by or in relation to him (or an employee of his) in, or in connection with, the exercise or purported exercise of the function shall be treated for all purposes as done or omitted to be done by or in relation to the Secretary of State. 45
- (8) Subsection (7) shall not apply –

- (a) for the purposes of so much of any contract made between the authorised person and the Secretary of State as relates to the exercise of the function, or
- (b) for the purposes of any criminal proceedings brought in respect of anything done or omitted to be done by the authorised person (or an employee of his). 5
- (9) Where –
- (a) a person is authorised to exercise any function by virtue of subsection (1), or by virtue of regulations under subsection (2), and
- (b) the authorisation is revoked at a time when a relevant contract is subsisting, 10
- the authorised person shall be entitled to treat the relevant contract as repudiated by the Secretary of State (and not as frustrated by reason of the revocation).
- (10) In subsection (9), the reference to a relevant contract is to so much of any contract made between the authorised person and the Secretary of State as relates to the exercise of the function. 15

*Miscellaneous***16 Income and capital: general**

- (1) In relation to a claim for an employment and support allowance, the income and capital of a person shall be calculated or estimated in such manner as may be prescribed. 20
- (2) A person's income in respect of a week shall be calculated in accordance with prescribed rules, which may provide for the calculation to be made by reference to an average over a period (which need not include the week concerned). 25
- (3) Circumstances may be prescribed in which –
- (a) a person is to be treated as possessing capital or income which he does not possess;
- (b) capital or income which a person does possess is to be disregarded; 30
- (c) income is to be treated as capital;
- (d) capital is to be treated as income.
- (4) Regulations may provide that a person's capital shall be deemed for the purposes of this Part to yield him an income at a prescribed rate.

17 Disqualification

- (1) Regulations may provide for a person to be disqualified for receiving an employment and support allowance, or treated for such purposes as the regulations may provide as not having limited capability for work, if – 35
- (a) he has become someone who has limited capability for work through his own misconduct, 40
- (b) he remains someone who has limited capability for work through his failure without good cause to follow medical advice, or
- (c) he fails without good cause to observe any prescribed rules of behaviour.

- (2) Regulations under subsection (1) shall provide for any such disqualification, or treatment, to be for such period not exceeding 6 weeks as may be determined in accordance with Chapter 2 of Part 1 of the Social Security Act 1998 (c. 14).
- (3) Regulations may prescribe for the purposes of subsection (1) –
 - (a) matters which are, or are not, to be taken into account in determining whether a person has good cause for any act or omission; 5
 - (b) circumstances in which a person is, or is not, to be regarded as having good cause for any act or omission.
- (4) Except where regulations otherwise provide, a person shall be disqualified for receiving a contributory allowance for any period during which he is –
 - (a) absent from Great Britain, or 10
 - (b) undergoing imprisonment or detention in legal custody.

18 Pilot schemes

- (1) Any regulations to which this subsection applies may be made so as to have effect for a specified period not exceeding 24 months. 15
- (2) Subject to subsection (3), subsection (1) applies to –
 - (a) regulations which are made under any provision of this Part, other than sections 3, 8 and 9;
 - (b) regulations which are made under the Administration Act, so far as they relate to an employment and support allowance. 20
- (3) Subsection (1) only applies to regulations if they are made with a view to ascertaining whether their provisions will or will be likely to –
 - (a) encourage persons to obtain or remain in work, or
 - (b) make it more likely that persons will obtain or remain in work or be able to do so. 25
- (4) Regulations which, by virtue of subsection (1), are to have effect for a limited period are referred to in this section as a “pilot scheme”.
- (5) A pilot scheme may provide that its provisions are to apply only in relation to –
 - (a) one or more specified areas; 30
 - (b) one or more specified classes of person;
 - (c) persons selected –
 - (i) by reference to prescribed criteria, or
 - (ii) on a sampling basis.
- (6) A pilot scheme may make consequential or transitional provision with respect to the cessation of the scheme on the expiry of the specified period. 35
- (7) A pilot scheme may be replaced by a further pilot scheme making the same or similar provision.

19 Relationship with statutory payments

- (1) A person is not entitled to an employment and support allowance in respect of a day if, for the purposes of statutory sick pay, that day –
 - (a) is a day of incapacity for work in relation to a contract of service, and 40

- (b) falls within a period of entitlement (whether or not it is a qualifying day).
- (2) Except as regulations may provide, a woman who is entitled to statutory maternity pay is not entitled to a contributory allowance in respect of a day that falls within the maternity pay period. 5
- (3) Regulations may provide that –
- (a) an amount equal to a woman’s statutory maternity pay for a period shall be deducted from a contributory allowance in respect of the same period,
 - (b) a woman shall only be entitled to a contributory allowance if there is a balance after the deduction, and 10
 - (c) if there is such a balance, a woman shall be entitled to a contributory allowance at a weekly rate equal to it.
- (4) Except as regulations may provide, a person who is entitled to statutory adoption pay is not entitled to a contributory allowance in respect of a day that falls within the adoption pay period. 15
- (5) Regulations may provide that –
- (a) an amount equal to a person’s statutory adoption pay for a period shall be deducted from a contributory allowance in respect of the same period, 20
 - (b) a person shall only be entitled to a contributory allowance if there is a balance after the deduction, and
 - (c) if there is such a balance, a person shall be entitled to a contributory allowance at a weekly rate equal to it.
- (6) Except as regulations may provide, a person who is entitled to additional statutory paternity pay is not entitled to a contributory allowance in respect of a day that falls within the additional paternity pay period. 25
- (7) Regulations may provide that –
- (a) an amount equal to a person’s additional statutory paternity pay for a period shall be deducted from a contributory allowance in respect of the same period, 30
 - (b) a person shall only be entitled to a contributory allowance if there is a balance after the deduction, and
 - (c) if there is such a balance, a person shall be entitled to a contributory allowance at a weekly rate equal to it. 35
- (8) In this section –
- “additional paternity pay period” has the meaning given in section 171ZEE(2) of the Contributions and Benefits Act;
 - “adoption pay period” has the meaning given in section 171ZN(2) of that Act; 40
 - “maternity pay period” has the meaning given in section 165(1) of that Act.

20 Deemed entitlement for other purposes

Regulations may provide for a person who would be entitled to an employment and support allowance but for the operation of any provision of, or made under, this Part, the Administration Act or Chapter 2 of Part 1 of the 45

Social Security Act 1998 (c. 14) (social security decisions and appeals) to be treated as if entitled to the allowance for the purposes of any rights or obligations (whether his own or another's) which depend on his entitlement, other than the right to payment of it.

21 Supplementary provisions 5

Schedule 2 (which contains further provisions in relation to an employment and support allowance) has effect.

22 Recovery of sums in respect of maintenance

(1) Regulations may make provision for the court to have power to make a recovery order against any person where an award of income-related allowance has been made to that person's spouse or civil partner. 10

(2) The reference in subsection (1) to a recovery order is to an order requiring the person against whom it is made to make payments to the Secretary of State or to such other person or persons as the court may determine.

(3) Regulations under subsection (1) may include – 15

- (a) provision as to the matters to which the court is, or is not, to have regard in determining any application under the regulations;
- (b) provision as to the enforcement of orders under the regulations;
- (c) provision for the transfer by the Secretary of State of the right to receive payments under, and to exercise rights in relation to, orders under the regulations. 20

(4) In this section, "the court" means –

- (a) in relation to England and Wales, a magistrates' court;
- (b) in relation to Scotland, the sheriff.

General 25

23 Interpretation of Part 1

(1) In this Part –

"claimant" means a person who has claimed an employment and support allowance;

"contributory allowance" has the meaning given by section 1(7); 30

"employment" and "employed" have the meanings prescribed for the purposes of this Part;

"entitled", in relation to an employment and support allowance, is to be construed in accordance with –

- (a) the provisions of this Act, 35
- (b) section 1 of the Administration Act (entitlement dependent on making of claim), and
- (c) section 27 of the Social Security Act 1998 (c. 14) (restrictions on entitlement in certain cases of error);

"income-related allowance" has the meaning given by section 1(7); 40

"income support" means income support under section 124 of the Contributions and Benefits Act;

- “limited capability for work” shall be construed in accordance with section 1(4);
- “limited capability for work-related activity” shall be construed in accordance with section 2(5);
- “period of limited capability for work” has the meaning prescribed for the purposes of this Part; 5
- “prescribed” means specified in, or determined in accordance with, regulations;
- “regulations” means regulations made by the Secretary of State;
- “week” means a period of 7 days beginning with a Sunday or such other period of 7 days as may be prescribed; 10
- “work-related activity” has the meaning given by section 12(7).
- (2) For the purposes of this Part, the assessment phase, in relation to a claimant, is the period –
- (a) beginning, subject to subsection (3), with the first day of the period for which he is entitled to an employment and support allowance, and 15
- (b) ending with such day as may be prescribed.
- (3) Regulations may prescribe circumstances in which the assessment phase is to begin with such day as may be prescribed.
- (4) For the purposes of this Part, a person is a member of the support group if he is a person in respect of whom it is determined that he has, or is to be treated as having, limited capability for work-related activity. 20

24 Regulations

- (1) Any power under this Part to make regulations shall be exercisable by statutory instrument. 25
- (2) Any such power may be exercised –
- (a) in relation to all cases to which it extends,
- (b) in relation to those cases subject to specified exceptions, or
- (c) in relation to any specified cases or classes of case.
- (3) Any such power may be exercised so as to make, as respects the cases in relation to which it is exercised – 30
- (a) the full provision to which the power extends or any less provision (whether by way of exception or otherwise);
- (b) the same provision for all cases in relation to which it is exercised, or different provision for different cases or different classes of case or different provision as respects the same case or class of case for different purposes of this Part; 35
- (c) any such provision either unconditionally or subject to any specified condition.
- (4) Where any such power is expressed to be exercisable for alternative purposes, it may be exercised in relation to the same case for all or any of those purposes. 40
- (5) Any such power includes power –
- (a) to make such incidental, supplementary, consequential or transitional provision or savings as appear to the Secretary of State to be expedient;
- (b) to provide for a person to exercise a discretion in dealing with any matter. 45

- (6) Without prejudice to the generality of the provisions of this section, regulations under any of sections 10 to 14 may make provision which applies only in relation to an area or areas specified in the regulations.
- (7) The fact that a power to make regulations is conferred by this Part is not to be taken to prejudice the extent of any other power to make regulations so conferred. 5

25 Parliamentary control

- (1) None of the following regulations shall be made unless a draft of the statutory instrument containing them has been laid before and approved by a resolution of each House of Parliament – 10
 - (a) the first regulations under section 12;
 - (b) regulations which by virtue of section 18(1) are to have effect for a limited period.
- (2) A statutory instrument that – 15
 - (a) contains regulations made under this Part, and
 - (b) is not subject to a requirement that a draft of the instrument be laid before, and approved by a resolution of, each House of Parliament,shall be subject to annulment in pursuance of a resolution of either House of Parliament.

26 Financial provisions relating to Part 1 20

- (1) There shall be paid out of the National Insurance Fund so much of any sums payable by way of employment and support allowance as is attributable to entitlement to a contributory allowance.
- (2) There shall be paid out of money provided by Parliament – 25
 - (a) so much of any sums payable by way of employment and support allowance as is attributable to entitlement to an income-related allowance, and
 - (b) any administrative expenses of the Secretary of State or the Commissioners for Her Majesty’s Revenue and Customs in carrying this Part into effect. 30
- (3) The Secretary of State shall pay into the National Insurance Fund sums estimated by him to be equivalent in amount to sums recovered by him in connection with payments of contributory allowance.
- (4) The Secretary of State shall pay into the Consolidated Fund sums estimated by him to be equivalent in amount to sums recovered by him in connection with payments made by way of income-related allowance. 35

27 Consequential amendments relating to Part 1

- (1) Schedule 3 (which makes amendments consequential on this Part) has effect.
- (2) Regulations may make provision consequential on this Part amending, repealing or revoking any provision of – 40
 - (a) an Act passed on or before the last day of the Session in which this Act is passed, or
 - (b) an instrument made under an Act before the passing of this Act.

- (3) In subsection (2), “Act” includes an Act of the Scottish Parliament.

28 Transition relating to Part 1

Schedule 4 (which makes provision with respect to transition in relation to this Part) has effect.

PART 2

5

HOUSING BENEFIT AND COUNCIL TAX BENEFIT

29 Local housing allowance

- (1) In section 130 of the Contributions and Benefits Act (housing benefit) subsection (4) ceases to have effect.

- (2) After that section insert – 10

“130A Appropriate maximum housing benefit

- (1) For the purposes of section 130 above, the appropriate maximum housing benefit (in this section referred to as “the AMHB”) is determined in accordance with this section.
- (2) Regulations must prescribe the manner in which the AMHB is to be determined. 15
- (3) The regulations may provide for the AMHB to be ascertained in the prescribed manner by reference to rent officer determinations.
- (4) The regulations may require an authority administering housing benefit in any prescribed case – 20
- (a) to apply for a rent officer determination, and
- (b) to do so within such time as may be specified in the regulations.
- (5) The regulations may make provision as to the circumstances in which, for the purpose of determining the AMHB, the amount of the liability mentioned in section 130(1)(a) above must be taken to be the amount of a rent officer determination instead of the actual amount of that liability. 25
- (6) Regulations under subsection (5) may also make provision for the liability of a person who, by virtue of regulations under section 137(2)(j) below, is treated as having a liability mentioned in section 130(1)(a) above to be the amount of a rent officer determination. 30
- (7) A rent officer determination is a determination made by a rent officer in the exercise of functions under section 122 of the Housing Act 1996.”
- (3) In Schedule 7 to the Child Support, Pensions and Social Security Act 2000 (c. 19) (housing benefit and council tax benefit: revisions and appeals), in paragraph 4 – 35
- (a) in sub-paragraph (1) for “sub-paragraph (4)” substitute “sub-paragraphs (4) and (4A)”;
- (b) after sub-paragraph (4) insert –
- “4A) Regulations may prescribe the cases and circumstances in which, and the procedure by which, a decision relating to 40

housing benefit must be made by the appropriate relevant authority.”

30 Loss of housing benefit following eviction for anti-social behaviour, etc.

- (1) After section 130A of the Contributions and Benefits Act (inserted by section 29) insert – 5
- “130B Loss of housing benefit following eviction on certain grounds**
- (1) If the following conditions are satisfied, then housing benefit is payable in the case of a person (“the former occupier”) subject to subsection (4) –
- (a) a court makes a relevant order for possession of a dwelling occupied by him as his home; 10
 - (b) in consequence of the order he ceases to occupy the dwelling;
 - (c) either of the conditions in subsections (2) and (3) is satisfied; and
 - (d) the conditions for entitlement to housing benefit are or become satisfied with respect to him. 15
- (2) The condition in this subsection is that the former occupier fails, without good cause, to comply with a warning notice served on him by a relevant local authority in England and Wales after he has ceased to occupy the dwelling. 20
- (3) The condition in this subsection is that –
- (a) the former occupier was, after he ceased to occupy the dwelling, required by a relevant local authority in Scotland to take specified action with the aim mentioned in subsection (10),
 - (b) the former occupier was warned by the relevant local authority that if he failed to comply with the requirement the amount of housing benefit payable to him would be affected, 25
 - (c) the former occupier fails, without good cause, to comply with the requirement, and
 - (d) the relevant local authority recommends that housing benefit be payable to the former occupier subject to subsection (4). 30
- (4) During the restriction period or such part of it as may be prescribed, one or both of the following applies –
- (a) the rate of the benefit is reduced in such a manner as may be prescribed; 35
 - (b) the benefit is payable only if the circumstances are such as may be prescribed.
- (5) The restriction period begins with the earliest date on which the conditions set out in subsections (1) to (3) are satisfied.
- (6) That period stops running if the relevant local authority considers that the restriction set out in subsection (4) should no longer apply (whether because the former occupier is taking action to improve his behaviour or for any other reason), but starts running again if –
- (a) in England and Wales, the former occupier fails to comply with a further warning notice served on him; 45
 - (b) in Scotland, the condition in subsection (7) is satisfied.

- (7) The condition is that –
- (a) the former occupier fails to comply with a further requirement such as is mentioned in paragraph (a) of subsection (3), having been warned as mentioned in paragraph (b) of that subsection, and
 - (b) the relevant local authority recommends that the restriction period starts running again.
- (8) The restriction period shall not include any period which falls more than five years after the date on which the order for possession was made.
- (9) A former occupier may not be subject to more than one restriction period in respect of one order for possession.
- (10) A relevant local authority is –
- (a) in England and Wales, a local authority within the meaning of section 1 of the Local Government Act 2000, or
 - (b) in Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994,
- which provides or may provide services to a former occupier with the aim of ending, or preventing repetition of, the conduct which may lead or has led to the making of a relevant order for possession.
- (11) A warning notice is a notice in the prescribed form –
- (a) requiring the former occupier to take specified action with the aim mentioned in subsection (10),
 - (b) specifying the time when, or within which, that action must be taken, and
 - (c) warning the former occupier that if he fails to take the action the amount of housing benefit payable to him would be affected.

130C Relevant orders for possession

- (1) In section 130B a relevant order for possession is, in England and Wales –
- (a) an order made under section 84 of the Housing Act 1985 (secure tenancies) on ground 2 set out in Schedule 2 to that Act;
 - (b) an order made under section 7 of the Housing Act 1988 (assured tenancies) on ground 14 set out in Schedule 2 to that Act;
 - (c) an order made under section 98 of the Rent Act 1977 (protected or statutory tenancies) in the circumstances specified in case 2 in Schedule 15 to that Act.
- (2) In that section a relevant order for possession is, in Scotland –
- (a) an order made under section 16(2) of the Housing (Scotland) Act 2001 (secure tenancies) on one of the grounds set out in paragraphs 2 and 7 in Part 1 of Schedule 2 to that Act;
 - (b) an order made in accordance with section 18 of the Housing (Scotland) Act 1988 (assured tenancies) on Ground 15 in Part 2 of Schedule 5 to that Act;
 - (c) an order made in accordance with section 11 of the Rent (Scotland) Act 1984 (protected or statutory tenancies) in the circumstances specified in Case 2 in Part 1 of Schedule 2 to that Act.

- (3) For the purposes of subsections (1) and (2) it does not matter whether the order is made on the grounds or in the circumstances there mentioned alone or together with other grounds or circumstances.
- (4) Subsections (5) and (6) apply if the court –
 - (a) stays (in Scotland, sists) or suspends the execution of a relevant order for possession, or postpones the date of possession under it, and 5
 - (b) imposes a condition (or conditions) on that stay, sist, suspension or postponement.
- (5) If a condition relates to the behaviour of a person or persons occupying the dwelling, section 130B(4) applies only if the order takes effect as a result of a breach of that condition. 10
- (6) Section 130B(4) does not apply if the condition (or, if there is more than one, each of them) relates only to matters other than the behaviour of a person or persons occupying the dwelling. 15

130D Loss of housing benefit: supplementary

- (1) Regulations may provide that, where housing benefit has been paid subject to the restriction set out in section 130B(4), in prescribed circumstances –
 - (a) the former occupier must be paid some or all of the amount of the benefit which, by virtue of that subsection, has not been payable to him, and 20
 - (b) such other adjustments must be made as are prescribed.
- (2) The Secretary of State may by order vary the definition of relevant order for possession by – 25
 - (a) adding to or removing from it orders of a specified description;
 - (b) specifying circumstances in which it includes orders of a specified description.
- (3) Regulations may prescribe –
 - (a) matters which are, or are not, to be taken into account in determining whether a person has, or does not have, good cause for failing to take action specified in a warning notice or failing to comply with a requirement such as is mentioned in section 130B(3)(a); 30
 - (b) circumstances in which a person is, or is not, to be regarded as having, or not having, such good cause. 35
- (4) Expressions used in this section and in section 130B have the meaning given in that section.

130E Couples

- (1) This section applies where at any time the conditions for entitlement to housing benefit are satisfied with respect to a person who is a member of a couple. 40
- (2) Where paragraphs (a) and (b) of section 130B(1) are satisfied in relation to both members of the couple (whether or not in respect of the same dwelling), then for the purposes of subsection (2) or (3) of that section, the failure by one member of the couple to comply with a warning 45

notice or with a requirement such as is mentioned in section 130B(3)(a) must be treated also as a failure by his partner to comply with it.

- (3) Where paragraph (a) of section 130B(1) is not satisfied in relation to one member of the couple, then subsection (4) of that section does not apply to his partner (even if paragraphs (a), (b) and (c) of section 130B(1) are satisfied in relation to the partner). 5
- (4) References to a person's partner are to the other member of the couple concerned.

130F Information provision

- (1) The Secretary of State may by regulations require – 10
- (a) a court which makes a relevant order for possession, or
 - (b) any other person or description of person who the Secretary of State thinks is or may be aware of the making of such an order,
- to notify him of the making of the order and to provide him with such details of matters in connection with the order as may be prescribed. 15
- (2) The Secretary of State may provide –
- (a) information obtained under subsection (1), or
 - (b) information which is relevant to the exercise by him of any function relating to housing benefit,
- to a relevant local authority, or a person authorised to exercise any function of such an authority relating to services mentioned in section 130B(10), for use in the provision of such services. 20
- (3) The Secretary of State may by regulations require –
- (a) a relevant local authority, or
 - (b) a person authorised to exercise any function of such an authority relating to services mentioned in section 130B(10),
- to supply relevant information held by the authority or other person to, or to a person providing services to, the Secretary of State for use for any purpose relating to the administration of housing benefit. 25
- (4) The Secretary of State may by regulations require – 30
- (a) an authority administering housing benefit,
 - (b) a person authorised to exercise any function of such an authority relating to such a benefit,
 - (c) a relevant local authority, or
 - (d) a person authorised to exercise any function of such an authority relating to services mentioned in section 130B(10),
- to provide relevant information held by that authority or person to an authority or person mentioned in paragraph (a) or (b) for use for any purpose relating to the administration of housing benefit. 35
- (5) The Secretary of State may by regulations require – 40
- (a) an authority administering housing benefit,
 - (b) a person authorised to exercise any function of such an authority relating to such a benefit,
 - (c) a relevant local authority, or
 - (d) a person authorised to exercise any function of such an authority relating to services mentioned in section 130B(10), 45

to provide relevant information held by that authority or person to an authority or person mentioned in paragraph (c) or (d) for use in the provision of those services.

- (6) Relevant information is –
 - (a) if the information is held by an authority administering housing benefit or a person authorised to exercise any function of such an authority, information which is relevant to the exercise of any function relating to housing benefit by the authority or person; 5
 - (b) if the information is held by a relevant local authority or a person authorised to exercise any function of such an authority, information which is relevant to the exercise of any function relating to the provision of services mentioned in section 130B(10). 10
- (7) Information must be supplied under subsection (1), (3), (4) or (5) in such circumstances, in such manner and form, and in accordance with such requirements, as may be prescribed. 15
- (8) “Relevant order for possession” and “relevant local authority” have the same meaning as in section 130B.
- (9) Subsections (1) and (5) do not extend to Scotland. 20

130G Pilot schemes relating to loss of housing benefit

- (1) Regulations to which this section applies may be made so as to have effect for a prescribed period.
 - (2) Any regulations which, by virtue of subsection (1), have effect for a limited period are referred to in this section as a “pilot scheme”. 25
 - (3) A pilot scheme may provide that it applies only in relation to –
 - (a) one or more prescribed areas;
 - (b) one or more prescribed classes of person;
 - (c) persons selected by reference to prescribed criteria.
 - (4) A pilot scheme may make consequential or transitional provision. 30
 - (5) A pilot scheme (“the previous scheme”) may be replaced by a further pilot scheme making the same, or similar, provision (apart from the prescribed period) to that made by the previous scheme.
 - (6) A pilot scheme may be amended or revoked by regulations under this section. 35
 - (7) This section applies to –
 - (a) regulations made under any of sections 130B to 130F above;
 - (b) regulations made under any other enactment, so far as they relate to, or are made for purposes which relate to, loss or restriction of housing benefit in pursuance of section 130B above. 40
 - (8) This section does not extend to Scotland.”
- (2) In section 176(1) of that Act (parliamentary control)–

- (a) in paragraph (a), at the appropriate place insert –
“section 130B(4);”;
- (b) in paragraph (c), at the appropriate place insert –
“section 130D(2);”.

31	Housing benefit and council tax benefit for persons taking up employment	5
(1)	Subsection (2) applies if a person is entitled to housing benefit or council tax benefit (by virtue of the general conditions of entitlement) and –	
	(a) he is also entitled to a prescribed benefit or his partner is entitled to such a benefit,	
	(b) he or his partner ceases to be entitled to the prescribed benefit in prescribed circumstances, and	10
	(c) the prescribed conditions are satisfied.	
(2)	That person is entitled to housing benefit or council tax benefit in accordance with this section for a prescribed period.	
(3)	Subsection (2) applies whether or not the person would be entitled to housing benefit or council tax benefit by virtue of the general conditions of entitlement for the whole or any part of the prescribed period.	15
(4)	A person who is entitled to housing benefit or council tax benefit by virtue of subsection (2) must be treated for all purposes –	
	(a) as having made a claim for that benefit, and	20
	(b) as having complied with any requirement under or by virtue of any enactment in connection with the making of such a claim.	
(5)	Housing benefit or council tax benefit to which a person is entitled by virtue of subsection (2) is to be funded and administered by the appropriate authority.	
(6)	Subsection (5) applies whether or not, for the whole or any part of the prescribed period –	25
	(a) for the purposes of establishing an entitlement to housing benefit, the person occupies as his home a dwelling in the area of the authority;	
	(b) for the purposes of establishing an entitlement to council tax benefit, the person is a resident of a dwelling in the area of the authority.	30
(7)	The amount of housing benefit or council tax benefit payable in respect of a person who is entitled to the benefit by virtue of subsection (2) is to be determined in accordance with regulations made for the purposes of this section.	
(8)	If an amount of housing benefit or council tax benefit is, by virtue of subsection (2), payable in respect of a person by the appropriate authority for any period, no other amount of housing benefit or council tax benefit is (by virtue of the general conditions of entitlement) payable by that authority in respect of that person for the same period.	35
(9)	Regulations may make provision in connection with the effect of a person’s entitlement to housing benefit or council tax benefit by virtue of subsection (2) on an award of such benefit by virtue of the general conditions of entitlement in respect of that person or his partner.	40
(10)	Regulations may provide that where –	

- (a) an amount of housing benefit or council tax benefit is, by virtue of subsection (2), payable in respect of a person by the appropriate authority for the whole or any part of a prescribed period, and
 - (b) an amount of housing benefit or council tax benefit is (by virtue of the general conditions of entitlement) payable by a local authority which is not that appropriate authority in respect of that person for the whole or any part of that period,
the amount of the benefit payable by the local authority mentioned in paragraph (b) is to be reduced by an amount determined in such manner as is prescribed.
- (11) An amount determined for the purposes of subsection (10) may have the effect of reducing the amount mentioned in paragraph (b) of that subsection to nil.
- (12) Regulations may make provision as to circumstances in which –
- (a) subsection (8) does not apply;
 - (b) entitlement to housing benefit or council tax benefit of a partner of the person mentioned in subsection (10) is to be treated as the entitlement of that person;
 - (c) benefit is not to be reduced as mentioned in subsection (10).
- (13) For the purposes of subsection (1) a person must be treated as entitled to housing benefit or council tax benefit by virtue of the general conditions of entitlement if –
- (a) he is not so entitled to that benefit at the time he or his partner ceases to be entitled to the prescribed benefit as mentioned in subsection (1)(b), and
 - (b) his entitlement to housing benefit or council tax benefit (as the case may be) ceased during the prescribed period before that time.

32 Section 31: supplemental

- (1) The administration provisions apply in relation to housing benefit or council tax benefit to which a person is entitled by virtue of subsection (2) of section 31 subject to –
- (a) subsections (4), (5) and (6) of that section;
 - (b) any prescribed modifications of those provisions which the Secretary of State thinks are necessary or expedient in connection with such housing benefit or council tax benefit.
- (2) Modifications under subsection (1)(b) may, in particular, provide that housing benefit or council tax benefit to which a person is entitled by virtue of section 31(2) must or may take the form of a payment by the appropriate authority to another local authority in prescribed circumstances.
- (3) In this section the administration provisions are –
- (a) the Administration Act;
 - (b) subordinate legislation (within the meaning of the Interpretation Act 1978 (c. 30)) made in pursuance of that Act.
- (4) The power to make regulations under this section or section 31 is exercisable by the Secretary of State by statutory instrument.

- (5) A statutory instrument containing regulations under this section or section 31 is subject to annulment in pursuance of a resolution of either House of Parliament.
- (6) Section 175(3) to (7) of the Contributions and Benefits Act (supplemental provision as to regulations) applies in relation to regulations under this section and section 31 above as it applies in relation to regulations under that Act. 5
- (7) In section 170 of the Administration Act (Social Security Advisory Committee), in subsection (5) –
- (a) in the definition of “the relevant enactments”, after paragraph (ai) insert – 10
- “(aj) sections 31 and 32 of the Welfare Reform Act 2007;”;
- (b) in the definition of “the relevant Northern Ireland enactments”, after paragraph (ai) insert – 15
- “(aj) any provisions in Northern Ireland which correspond to sections 31 and 32 of the Welfare Reform Act 2007;”.
- (8) For the purposes of any enactment other than a relevant enactment –
- (a) entitlement to housing benefit by virtue of section 31(2) above is to be treated as entitlement under section 130 of the Contributions and Benefits Act; 20
- (b) entitlement to council tax benefit by virtue of section 31(2) above is to be treated as entitlement under section 131 of that Act.
- (9) In subsection (8), the relevant enactments are –
- (a) the administration provisions, and 25
- (b) Part 7 of the Contributions and Benefits Act, except sections 123 and 134(2) and (4).

33 Sections 31 and 32: interpretation

- (1) This section has effect for the interpretation of sections 31 and 32.
- (2) The general conditions of entitlement are the conditions governing entitlement to housing benefit or council tax benefit provided for by Part 7 of the Contributions and Benefits Act. 30
- (3) The appropriate authority –
- (a) in relation to housing benefit is the local authority or housing authority which, immediately before the person concerned ceased to be entitled to the prescribed benefit, funded and administered the housing benefit to which he was entitled; 35
- (b) in relation to council tax benefit is the billing authority or, in Scotland, local authority which, immediately before the person concerned ceased to be entitled to the prescribed benefit, funded and administered the council tax benefit to which he was entitled. 40
- (4) The following expressions have the same meaning as in the Administration Act –
- (a) billing authority;
- (b) housing authority; 45
- (c) local authority.

- (5) Partner, in relation to a person, is a person who is a member of the same couple (within the meaning of Part 7 of the Contributions and Benefits Act) as that person.
- (6) Prescribed means prescribed by regulations.

34 Information relating to housing benefit 5

- (1) Section 5 of the Administration Act (regulations about claims and benefits) is amended as follows.
- (2) After subsection (2) insert –
 - “(2A) The regulations may also require such persons as are prescribed to provide a rent officer with information or evidence of such description as is prescribed. 10
 - (2B) For the purposes of subsection (2A), the Secretary of State may prescribe any description of information or evidence which he thinks is necessary or expedient to enable rent officers to carry out their functions under section 122 of the Housing Act 1996. 15
 - (2C) Information or evidence required to be provided by virtue of subsection (2A) may relate to an individual claim or award or to any description of claims or awards.”
- (3) Subsection (3) ceases to have effect.

35 Supply of information by rent officers 20

After section 122E of the Administration Act (supply of information between authorities administering benefit) insert –

“Rent officers and housing benefit

122F Supply by rent officers of information relating to housing benefit

- (1) The Secretary of State may require a rent officer to supply housing benefit information held by the rent officer to, or to a person providing services to, the Secretary of State for use for purposes relating to any of the following –
 - (a) social security;
 - (b) child support; 30
 - (c) war pensions;
 - (d) employment or training;
 - (e) private pensions policy or retirement planning.
- (2) Information must be supplied under subsection (1) in such manner and form, and in accordance with such requirements, as may be specified in directions given by the Secretary of State. 35
- (3) Housing benefit information is any information which relates to the exercise by the rent officer of any function he has under section 122 of the Housing Act 1996 relating to housing benefit.”

36 Payment of housing benefit

In section 134 of the Administration Act (arrangements for housing benefit), for subsection (2) substitute –

- “(2) Housing benefit is to be paid in such manner as is prescribed, and regulations may, in particular, provide for – 5
- (a) a payment or payments by the authority administering the benefit to the person entitled to it (E), to some other person on E’s behalf or in respect of a liability which E has,
 - (b) a reduction in the amount of any payments which E is liable to make to the authority by way of rent, or 10
 - (c) such a payment or payments and such a reduction.
- (2A) In any enactment or instrument (whenever passed or made) “pay” in relation to housing benefit includes discharge in any manner prescribed under subsection (2) above.
- (2B) Subsection (2) above does not affect any power under section 5 above to make provision in relation to the payment of benefit.” 15

37 Duty to send inspection reports to the Secretary of State

- (1) In section 13A of the Local Government Act 1999 (c. 27) (reports of inspections by Auditor General for Wales), after subsection (4) insert –

“(4A) If a report relates to any extent to the administration of housing benefit or council tax benefit and the Auditor General for Wales thinks fit to do so, he shall as soon as reasonably practicable send a copy of the report to the Secretary of State.” 20

- (2) In section 29 of that Act (modifications for Wales), after subsection (2) insert –

“(2A) Subsection (1)(a) does not apply to section 13A(4A).” 25

38 Directions by Secretary of State

- (1) Section 139D of the Administration Act (power to give directions) is amended in accordance with subsections (2) to (8) below.

- (2) In subsection (1) (reports that trigger the section), for paragraph (c) substitute – 30

“(c) a copy of a report under section 102(1)(b) or (c) of the Local Government (Scotland) Act 1973 which to any extent relates to the administration of benefit has been sent to a local authority and the Secretary of State under section 102(2) of that Act;”.

- (3) In subsection (1), after paragraph (c) insert – 35

“(ca) a copy of a report which has been sent to a local authority under section 13A(3) of the Local Government Act 1999 and to the Secretary of State under section 13A(4A) of that Act;”.

- (4) In subsection (2) for “invite” substitute “require”.

- (5) After subsection (2) insert – 40

“(2A) A requirement under subsection (2) above may specify –

- (a) any information or description of information to be provided;

- (b) the form and manner in which the information is to be provided.
- (2B) The authority must respond to a requirement under subsection (2) above before the end of such period (not less than one month after the day on which the requirement is made) as the Secretary of State specifies in the requirement. 5
- (2C) The Secretary of State may extend the period specified under subsection (2B) above.”
- (6) For subsection (3) substitute –
 - “(3) After considering – 10
 - (a) the report,
 - (b) any proposals made by the authority in response to it, and
 - (c) any other information he thinks is relevant,the Secretary of State may give directions to the authority under subsection (3A) or (3B) or both. 15
 - (3A) Directions under this subsection are directions as to –
 - (a) standards which the authority is to attain in the prevention and detection of fraud relating to benefit or otherwise in the administration of benefit;
 - (b) the time within which the standards are to be attained. 20
 - (3B) Directions under this subsection are directions to take such action as the Secretary of State thinks necessary or expedient for the purpose of improving the authority’s exercise of its functions –
 - (a) in relation to the prevention and detection of fraud relating to benefit; 25
 - (b) otherwise in relation to the administration of benefit.
 - (3C) A direction under subsection (3B) may specify the time within which anything is to be done.”
- (7) In subsection (4), for “subsection (3)” substitute “subsection (3A)”.
- (8) After subsection (4) insert – 30
 - “(4A) If the Secretary of State proposes to give a direction under this section he must give the authority to which the direction is to be addressed an opportunity to make representations about the proposed direction.
 - (4B) The Secretary of State may specify a period within which representations mentioned in subsection (4A) above must be made. 35
 - (4C) The Secretary of State may extend a period specified under subsection (4B) above.
 - (4D) Subsections (4A) to (4C) do not apply if the Secretary of State thinks that it is necessary for a direction to be given as a matter of urgency.
 - (4E) If the Secretary of State acts under subsection (4D) he must give in writing to the authority to which the direction is addressed his reasons for doing so.” 40

(9) After section 139D of that Act insert –

“139DA Directions: variation and revocation

- (1) The Secretary of State may at any time in accordance with this section vary or revoke a direction under section 139D above.
- (2) A direction may be varied or revoked only if the Secretary of State thinks it is necessary to do so –
- (a) in consequence of representations made by the authority to which the direction is addressed,
 - (b) to rectify an omission or error, or
 - (c) in consequence of a material change in circumstances.
- (3) The Secretary of State must not vary a direction unless he first –
- (a) sends a copy of the proposed variation to the authority concerned,
 - (b) gives the authority his reasons for making the variation, and
 - (c) gives the authority an opportunity to make representations about the proposed variation.
- (4) The Secretary of State may specify a period of not less than one month within which representations mentioned in subsection (3)(c) above must be made.
- (5) The Secretary of State may extend a period specified under subsection (4) above.”

39 Minor and consequential amendments relating to Part 2

Schedule 5 (which makes miscellaneous minor amendments and amendments consequential on this Part) has effect.

PART 3 25

SOCIAL SECURITY ADMINISTRATION: GENERAL

Sharing of social security information

40 Social security information

- (1) In the Administration Act, after section 7A (sharing of functions as regards certain claims and information) insert –
- “7B Use of social security information**
- (1) A relevant authority may use for a relevant purpose any social security information which it holds.
- (2) Regulations may make provision as to the procedure to be followed by a relevant authority for the purposes of any function it has relating to the administration of a specified benefit if the authority holds social security information which –
- (a) is relevant for the purposes of anything which may or must be done by the authority in connection with a claim for or an award of the benefit, and

- (b) was used by another relevant authority in connection with a claim for or an award of a different specified benefit or was verified by that other authority in accordance with regulations under section 7A(2)(e) above.
 - (3) A relevant purpose is any prescribed purpose which relates to a claim which is made or which could be made for a specified benefit. 5
 - (4) Social security information means –
 - (a) information relating to social security, child support or war pensions;
 - (b) evidence obtained in connection with a claim for or an award of a specified benefit. 10
 - (5) A specified benefit is a benefit which is specified in regulations for the purposes of this section.
 - (6) Expressions used in this section and in section 7A have the same meaning in this section as in that section. 15
 - (7) This section does not affect any power which exists apart from this section to use for one purpose social security information obtained in connection with another purpose.”
- (2) In section 7A of that Act –
- (a) in subsection (1) after paragraph (b) insert – 20
 - “(c) as regards any relevant benefit, for claims for that benefit to be made to –
 - (i) a county council in England,
 - (ii) a person providing services to a county council in England, or 25
 - (iii) a person authorised to exercise any function a county council in England has under this section.”;
 - (b) in subsection (2) after paragraph (d) insert – 30
 - “(e) the verification by a relevant authority of information or evidence supplied to or obtained by the authority in connection with a claim for or an award of a relevant benefit.”;
 - (c) in subsection (3) for “and (d)” substitute “, (d) and (e)”;
 - (d) in subsection (3)(a) for “(1)(a) or (b)” substitute “(1)(a), (b) or (c)”;
 - (e) in subsection (6) for paragraph (c) substitute – 35
 - “(c) “relevant authority” means –
 - (i) a Minister of the Crown;
 - (ii) a local authority;
 - (iii) a county council in England; 40
 - (iv) a person providing services to a person mentioned in sub-paragraphs (i) to (iii);
 - (v) a person authorised to exercise any function of a local authority relating to housing benefit or council tax benefit; 45
 - (vi) a person authorised to exercise any function a county council in England has under this section;”.

- (3) In Part 1 of Schedule 4 to that Act (persons employed in social security administration or adjudication), under the heading “Local authorities etc” after the entry relating to a person authorised under section 139A(1) of that Act insert—
- “A member, officer or employee of a county council in England who exercises—
- (a) any function conferred on the county council by regulations made under section 7A of this Act;
 - (b) any function in connection with a purpose specified in regulations made under section 7B of this Act.
- A person authorised to exercise any such function of such a county council or an employee of such a person.”

41 Information relating to certain benefits

- (1) Information falling within subsection (3) may be supplied by the person who holds it to a person falling within subsection (4) for purposes connected with the application of grant paid under a relevant enactment towards expenditure incurred by the recipient of the grant—
- (a) in providing, or contributing to the provision of, welfare services, or
 - (b) in connection with such welfare services.
- (2) Information falling within subsection (3) which is held for a prescribed purpose by a person falling within any of paragraphs (c) to (h) of subsection (4) may be—
- (a) used by that person for another prescribed purpose;
 - (b) provided to another such person for use in relation to the same or another prescribed purpose.
- (3) The information is any information which is held by a person falling within subsection (4) relating to—
- (a) income support;
 - (b) income-based jobseeker’s allowance;
 - (c) income-related employment and support allowance;
 - (d) state pension credit;
 - (e) housing benefit;
 - (f) welfare services.
- (4) The persons are—
- (a) the Secretary of State;
 - (b) a person providing services to the Secretary of State;
 - (c) an authority administering housing benefit;
 - (d) a person authorised to exercise any function of such an authority relating to housing benefit;
 - (e) a person providing to such an authority services relating to housing benefit;
 - (f) a local authority to which any grant is or will be paid as mentioned in subsection (1);
 - (g) a person authorised to exercise any function of such an authority relating to the grant;
 - (h) a person providing to such an authority services relating to any such function.

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- (5) Information which is supplied under subsection (1) to an authority or other person falling within subsection (4)(f), (g) or (h) may be supplied by the authority or person to a person who provides qualifying welfare services for purposes connected with the provision of those services.
- (6) A person provides qualifying welfare services if – 5
- (a) he provides welfare services,
 - (b) a local authority contribute or will contribute to the expenditure incurred by him in providing those services, and
 - (c) that contribution is or will be derived (in whole or in part) from any grant which is or will be paid to the authority as mentioned in subsection (1). 10
- (7) A relevant enactment is an enactment specified by order made by the Secretary of State; and the power to make an order under this subsection is exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament. 15
- (8) In subsection (2) a prescribed purpose is a purpose relating to housing benefit or welfare services which is prescribed by regulations made by the Secretary of State by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.
- (9) The power to make an order or regulations under this section includes power – 20
- (a) to make different provision for different purposes;
 - (b) to make such incidental, supplementary, consequential, transitional or saving provision as the Secretary of State thinks necessary or expedient.
- (10) In this section – 25
- “income-based jobseeker’s allowance” has the same meaning as in the Jobseekers Act 1995 (c. 18);
 - “income-related employment and support allowance” means an income-related allowance under Part 1;
 - “local authority” means – 30
- (a) in relation to England, a county council, a district council, a London borough council, the Common Council of the City of London or the Council of the Isles of Scilly;
 - (b) in relation to Wales, a county council or a county borough council; 35
- “welfare services” includes services which provide support, assistance, advice or counselling to individuals with particular needs.
- (11) In the Local Government Act 2000 (c. 22), sections 94 (disclosure of information) and 95 (unauthorised disclosure of information) are omitted.
- 42 Unlawful disclosure of certain information** 40
- (1) A person to whom subsection (2) applies is guilty of an offence if he discloses without lawful authority any information –
- (a) which comes to him by virtue of section 41(1), (2) or (5), and
 - (b) which relates to a particular person.
- (2) This subsection applies to – 45
- (a) a person mentioned in section 41(4)(f) to (h);

- (b) a person who provides qualifying welfare services (within the meaning of section 41(6));
 - (c) a person who is or has been a director, member of the committee of management, manager, secretary or other similar officer of a person mentioned in paragraph (a) or (b); 5
 - (d) a person who is or has been an employee of a person mentioned in paragraph (a) or (b).
- (3) A person guilty of an offence under this section shall be liable –
- (a) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine or both, or 10
 - (b) on summary conviction, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum or both.
- (4) It is not an offence under this section –
- (a) to disclose information in the form of a summary or collection of information so framed as not to enable information relating to any particular person to be ascertained from it; 15
 - (b) to disclose information which has previously been disclosed to the public with lawful authority.
- (5) It is a defence for a person charged with an offence under this section to prove that at the time of the alleged offence – 20
- (a) he believed that he was making the disclosure in question with lawful authority and had no reasonable cause to believe otherwise, or
 - (b) he believed that the information in question had previously been disclosed to the public with lawful authority and had no reasonable cause to believe otherwise. 25
- (6) A disclosure is made with lawful authority if it is so made for the purposes of section 123 of the Administration Act.
- (7) This section does not affect that section.
- (8) Until the commencement of section 282 of the Criminal Justice Act 2003 (c. 44) (increase in maximum term that may be imposed on summary conviction of offence triable either way) the reference in subsection (3)(b) to 12 months must be taken to be a reference to six months. 30

Overpayment recovery

43 Recovery of overpaid benefit: Great Britain

- (1) Section 71 of the Administration Act (overpayments) is amended as follows. 35
- (2) Subsection (5) (recovery of overpayments paid into account not recoverable under regulations under subsection (4) unless determination of amount is reversed on appeal etc. and overpayment is determined on the appeal etc. to be so recoverable) ceases to have effect.
- (3) In subsection (5A) (recovery of overpayments paid in consequence of misrepresentation etc. not recoverable under subsection (1) unless determination of amount is reversed on appeal etc.) for “under subsection (1) above” substitute “under subsection (1) or under regulations under subsection (4)”. 40

44 Recovery of overpaid child benefit and guardian’s allowance: Northern Ireland

- (1) Section 69 of the Social Security Administration (Northern Ireland) Act 1992 (c. 8) (overpayments) is amended as follows.
- (2) Subsection (5) (recovery of overpayments paid into account not recoverable under regulations under subsection (4) unless determination of amount is reversed on appeal etc. and overpayment is determined on the appeal etc. to be so recoverable) ceases to have effect. 5
- (3) In subsection (5A) (recovery of overpayments paid in consequence of misrepresentation etc. not recoverable under subsection (1) unless determination of amount is reversed on appeal etc.) for “under subsection (1) above” substitute “under subsection (1) or under regulations under subsection (4)”. 10
- (4) The amendments made by this section have effect only in relation to child benefit and guardian’s allowance. 15

Benefit fraud

45 Local authority powers to investigate benefit fraud

- (1) Section 110A of the Administration Act (authorisation of investigations by authorities administering housing benefit or council tax benefit) is amended as follows. 20
- (2) In subsection (1) for “any one or more of the purposes mentioned in subsection (2) below” substitute “a relevant purpose”.
- (3) After subsection (1) insert –
“(1A) Each of the following is a relevant purpose –
(a) a purpose mentioned in subsection (2) below;
(b) a purpose mentioned in section 109A(2)(a), (c) or (d). 25
(1B) If the Secretary of State prescribes conditions for the purposes of this section, an authority must not proceed under this section for a purpose mentioned in section 109A(2)(a), (c) or (d) unless any such condition is satisfied.” 30
- (4) An authorisation made for a purpose mentioned in section 109A(2)(a), (c) or (d) –
(a) is subject to such restrictions as may be prescribed;
(b) is not valid in such circumstances as may be prescribed.
- (5) In subsection (2) for “Those purposes” substitute “The purposes in this subsection”. 35
- (6) In subsection (8), after paragraph (c) insert –
“but paragraphs (a) and (b) above do not apply in any case where the relevant purpose is as mentioned in subsection (1A)(b) above.”

46 Local authority powers to prosecute benefit fraud

After section 116 of the Administration Act (legal proceedings) insert –

“116A Local authority powers to prosecute benefit fraud

- (1) This section applies if an authority administering housing benefit or council tax benefit has power to bring proceedings for a benefit offence relating to that benefit. 5
- (2) The authority may bring proceedings for a benefit offence relating to any other relevant social security benefit unless –
 - (a) the proceedings relate to any benefit or circumstances or any description of benefit or circumstances which the Secretary of State prescribes for the purposes of this paragraph, or 10
 - (b) the Secretary of State has directed that the authority must not bring the proceedings, and a direction under paragraph (b) may relate to a particular authority or description of authority or to particular proceedings or any description of proceedings. 15
- (3) If the Secretary of State prescribes conditions for the purposes of this section, an authority must not bring proceedings under this section unless any such condition is satisfied.
- (4) The Secretary of State may continue proceedings which have been brought by an authority under this section as if the proceedings had been brought in his name or he may discontinue the proceedings if –
 - (a) he makes provision under subsection (2)(a), such that the authority would no longer be entitled to bring the proceedings under this section, 25
 - (b) he gives a direction under subsection (2)(b) in relation to the proceedings, or
 - (c) a condition prescribed under subsection (3) ceases to be satisfied in relation to the proceedings.
- (5) In the exercise of its power under subsection (2), a local authority must have regard to the Code for Crown Prosecutors issued by the Director of Public Prosecutions under section 10 of the Prosecution of Offences Act 1985 –
 - (a) in determining whether the proceedings should be instituted;
 - (b) in determining what charges should be preferred; 35
 - (c) in considering what representations to make to a magistrates’ court about mode of trial;
 - (d) in determining whether to discontinue proceedings.
- (6) An authority must not bring proceedings for a benefit offence which does not relate to housing benefit or council tax benefit otherwise than in accordance with this section. 40
- (7) In subsection (2), “relevant social security benefit” has the same meaning as in section 121DA below.
- (8) This section does not apply to Scotland.”

47 Local authority functions relating to benefit: information

- (1) Section 122C of the Administration Act (supply of information to authorities administering benefit) is amended as follows –
 - (a) in subsection (2) at the end insert “or for the purposes of anything the authority is permitted to do in relation to any other benefit by virtue of section 110A or 116A above”; 5
 - (b) in subsection (3)(a) for “offences relating to housing benefit or council tax benefit” substitute “benefit offences (within the meaning of Part 6 above)”. 5
- (2) Section 122D of that Act (supply of information by authorities administering benefit) is amended as follows –
 - (a) in subsection (1), for “benefit administration information” substitute “relevant benefit information”; 10
 - (b) in subsection (2A), after “subsection (2)” insert “, in addition to any other purpose for which the information may be used,”; 15
 - (c) for subsection (4) substitute –
 - “(4) In subsection (1) “relevant benefit information”, in relation to an authority or other person, means any information which is relevant to the exercise of any function relating to a relevant social security benefit by the authority or other person.”; 20
 - (d) in subsection (5), in each place where it occurs for “housing benefit or council tax benefit” substitute “any relevant social security benefit”; 20
 - (e) in subsection (6), after the definition of “private pensions policy” insert –
 - ““relevant social security benefit” has the same meaning as in section 121DA above;” 25
- (3) Section 122E of that Act (supply of information between authorities administering benefit) is amended as follows –
 - (a) in subsection (1) for “benefit administration information” substitute “relevant benefit information”; 30
 - (b) in subsection (2)(a) for “offences relating to housing benefit or council tax benefit” substitute “benefit offences (within the meaning of Part 6 above)”; 30
 - (c) for subsection (6) substitute –
 - “(6) In this section “relevant benefit information”, in relation to an authority or other person, means any information which is relevant to the exercise of any function relating to a relevant social security benefit (within the meaning of section 121DA above) by the authority or other person.” 35
- (4) In section 126A of that Act (power to require information from landlords and agents), in subsection (8) for “benefit administration information” substitute “relevant benefit information”. 40

48 Loss of benefit for commission of benefit offences

- (1) In section 7 of the Social Security Fraud Act 2001 (c. 11) (loss of benefit for commission of benefit offences) in subsection (1)(b) (period within which later offence must be committed), for “three years” substitute “five years”. 45

- (2) The amendment made by subsection (1) shall be disregarded insofar as the application of section 7(1)(b) of that Act involves considering whether an offence committed before the day on which this section comes into force was committed within the relevant period.

PART 4

5

MISCELLANEOUS

Benefits for bereaved persons

49 Widowed mother's allowance

In section 37(2) of the Contributions and Benefits Act (which links entitlement to widowed mother's allowance on the ground of being entitled to child benefit to whether one of the conditions specified in section 77(5) of the Act is satisfied), the words from "one of the conditions" to "person and" are omitted. 10

50 Widowed parent's allowance

In section 39A(3) of the Contributions and Benefits Act (which links entitlement to widowed parent's allowance on the ground of being entitled to child benefit to whether one of the conditions specified in section 77(5) of the Act is satisfied), the words from "one of the conditions" to "person and" are omitted. 15

Disability living allowance: age conditions

51 Care component of disability living allowance: persons under the age of 16 20

- (1) Section 72 of the Contributions and Benefits Act (care component of disability living allowance) is amended as follows.

- (2) After subsection (1) insert –

“(1A) In its application to a person in relation to so much of a period as falls before the day on which he reaches the age of 16, subsection (1) has effect subject to the following modifications – 25

(a) the condition mentioned in subsection (1)(a)(ii) shall not apply, and

(b) none of the other conditions mentioned in subsection (1) shall be taken to be satisfied unless – 30

(i) he has requirements of a description mentioned in the condition substantially in excess of the normal requirements of persons of his age, or

(ii) he has substantial requirements of such a description which younger persons in normal physical and mental health may also have but which persons of his age and in normal physical and mental health would not have.” 35

- (3) After subsection (2) insert –
- “(2A) The modifications mentioned in subsection (1A) shall have effect in relation to the application of subsection (1) for the purposes of subsection (2), but only –
- (a) in the case of a person who is under the age of 16 on the date on which the award of the care component would begin, and 5
 - (b) in relation to so much of any period mentioned in subsection (2) as falls before the day on which he reaches the age of 16.”
- (4) In subsection (5) (terminally ill person to be taken to have satisfied the conditions mentioned in subsection (1)(b) and (c)), after “person, shall” insert “(notwithstanding subsection (1A)(b))”. 10
- (5) Subsection (6) (modifications for persons under 16) ceases to have effect.
- (6) In subsection (7), for “subsections (5) and (6)” substitute “subsection (5)”.
- (7) After that subsection insert –
- “(7A) Subsection (1A) has effect subject to regulations made under subsection (7) (except as otherwise prescribed).” 15
- 52 Mobility component of disability living allowance: persons under the age of 16**
- (1) Section 73 of the Contributions and Benefits Act (mobility component of disability living allowance) is amended as follows. 20
- (2) For subsection (4) substitute –
- “(4A) In its application to a person in relation to so much of a period as falls before the day on which he reaches the age of 16, subsection (1) has effect subject to the modification that the condition mentioned in paragraph (d) shall not be taken to be satisfied unless – 25
- (a) he requires substantially more guidance or supervision from another person than persons of his age in normal physical and mental health would require, or
 - (b) persons of his age in normal physical and mental health would not require such guidance or supervision.” 30
- (3) In subsection (5), omit “Subject to subsection (4) above,”.
- (4) After that subsection insert –
- “(5A) Subsection (4A) has effect subject to regulations made under subsection (5) (except as otherwise prescribed).”
- (5) After subsection (9) insert – 35
- “(9A) The modifications mentioned in subsection (4A) shall have effect in relation to the application of subsection (1) for the purposes of subsection (9), but only –
- (a) in the case of a person who is under the age of 16 on the date on which the award of the mobility component would begin, and 40
 - (b) in relation to so much of any period mentioned in subsection (9) as falls before the day on which he reaches the age of 16.”

*Social fund***53 Matters to which regard must be had in awarding budgeting loans**

In section 140(1A) of the Contributions and Benefits Act (principles for determining awards of budgeting loans) –

- (a) in paragraph (b) (duty to have regard to criteria specified in paragraphs (b) to (e) of subsection (1)), for “(b) to (e)” substitute “(b), (d) and (e)”, and 5
- (b) the words following paragraph (b) (which enable the Secretary of State to give directions about cases in which the applicant’s personal circumstances would preclude the award of a budgeting loan) cease to have effect. 10

54 Allocations from Social Fund

- (1) Section 168 of the Administration Act (allocations from social fund) is amended as follows. 15
- (2) In subsection (1) (duty of Secretary of State to allocate amounts for payments from the social fund such as are mentioned in section 138(1)(b) of the Contributions and Benefits Act), after “Act” insert “(in this section referred to as “section 138(1)(b) payments”)”.
- (3) In subsection (3) (types of allocation that may be made) – 20
 - (a) for paragraph (a) substitute –
 - “(a) may be for all section 138(1)(b) payments or for any description of such payments;”;
 - (b) in paragraph (b) (power to allocate different amounts for different purposes), for “different purposes” substitute “payments of different descriptions”; and 25
 - (c) in paragraph (d) (additional allocations), omit the words from “to the same officer” to the end.
- (4) After subsection (3) insert –
 - “(3A) Without prejudice to the generality of subsection (3)(a), descriptions of section 138(1)(b) payments may, in particular, be framed by reference to – 30
 - (a) the purposes for which payments are made;
 - (b) the persons by whom payments are made (including where such persons are located); 35
 - (c) the persons to whom payments are made (including where such persons are located).”

*Vaccine Damage Payments Act 1979***55 Overseas vaccinations**

- (1) Section 2 of the Vaccine Damage Payments Act 1979 (c. 17) (conditions of entitlement) is amended as follows. 40

- (2) For subsection (5) substitute –
- “(5A) The Secretary of State may by order made by statutory instrument provide that, in such circumstances as may be specified in the order, the condition in subsection (1)(a)(i) need not be fulfilled in the case of vaccinations of persons of a description so specified which are given under arrangements made by or on behalf of –
- (a) Her Majesty’s forces,
 - (b) a government department so specified, or
 - (c) any other body so specified.
- (5B) Orders under subsection (5A) may make different provision in relation to different cases.”
- (3) In subsection (6), for “that subsection” substitute “this section”.

56 Appeals to appeal tribunal in Northern Ireland

- (1) The Vaccine Damage Payments Act 1979 (c. 17) is amended as follows.
- (2) In section 4 (appeals to appeal tribunals), in subsection (1) (right of appeal), for “an appeal tribunal” substitute “an appropriate appeal tribunal” and after that subsection insert –
- “(1A) In subsection (1) the reference to an appropriate appeal tribunal is –
- (a) if the claimant’s address is in Northern Ireland, to an appeal tribunal constituted under Chapter 1 of Part 2 of the Social Security (Northern Ireland) Order 1998;
 - (b) if it is not, to an appeal tribunal constituted under Chapter 1 of Part 1 of the Social Security Act 1998.”
- (3) In that section, after subsection (3) insert –
- “(3A) In relation to appeals under subsection (1) to an appeal tribunal constituted under Chapter 1 of Part 2 of the Social Security (Northern Ireland) Order 1998, the Department for Social Development in Northern Ireland may by regulations –
- (a) make provision as to the manner in which, and the time within which, appeals are to be brought;
 - (b) make such provision with respect to proceedings before appeal tribunals as the Department considers appropriate.
- (3B) Regulations under subsection (3A) may in particular make any provision of a kind mentioned in Schedule 4 to the Social Security (Northern Ireland) Order 1998.”
- (4) In section 7A (correction of errors and setting aside of decisions), after subsection (1) insert –
- “(1A) The Department for Social Development in Northern Ireland may by regulations make provision with respect to –
- (a) the correction of accidental errors in any decision or record of a decision under section 4 of this Act of an appeal tribunal constituted under Chapter 1 of Part 2 of the Social Security (Northern Ireland) Order 1998; and
 - (b) the setting aside of any such decision in a case where it appears just to set the decision aside on the ground that –

- (i) a document relating to the proceedings in which the decision was given was not sent to, or was not received at an appropriate time by, a party to the proceedings or a party's representative or was not received at an appropriate time by the appeal tribunal which gave the decision; or 5
- (ii) a party to the proceedings or a party's representative was not present at a hearing related to the proceedings."
- (5) In section 12 (financial provisions), after subsection (3) insert –
- “(3A) The Department for Social Development in Northern Ireland shall pay such travelling and other allowances as the Department may determine – 10
- (a) to persons required under section 4 to attend before tribunals constituted under Chapter 1 of Part 2 of the Social Security (Northern Ireland) Order 1998; and 15
- (b) in circumstances where the Department considers it appropriate, to any person who accompanies a disabled person to such a tribunal.”
- Compensation for pneumoconiosis etc.*
- 57 “Relevant employer” 20**
- (1) The Pneumoconiosis etc. (Workers' Compensation) Act 1979 (c. 41) is amended as follows.
- (2) In section 2 (conditions of entitlement), in subsection (3), for the definition of “relevant employer” substitute – 25
- ““relevant employer” has the meaning given in the Schedule to this Act.”
- (3) Insert the Schedule (definition of “relevant employer”) set out in Schedule 6.
- (4) In section 7(3) (regulations subject to affirmative resolution), after “section 1 above” insert “or paragraph 8 of the Schedule to this Act”.
- 58 “Dependant” 30**
- (1) In section 3 of the Pneumoconiosis etc. (Workers' Compensation) Act 1979 (dependants), in subsection (1) (definition of “dependant”) –
- (a) in paragraph (a), after “spouse”, in each place, insert “or civil partner”; and
- (b) for paragraph (c) substitute – 35
- “(c) if neither of the preceding paragraphs applies but he left a person who was residing with him and with whom he was in a qualifying relationship, that person;”.
- (2) After subsection (2) of that section insert –
- “(2A) For the purposes of subsection (1)(c) – 40
- (a) two persons of the opposite sex are in a qualifying relationship if they are living together as husband and wife;

- (b) two persons of the same sex are in a qualifying relationship if they are living together as if they were civil partners.
- (2B) For the purposes of subsection (2A)(b), two persons of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex.” 5
- (3) Subsection (5) of that section (application of subsection (1) to Scotland: substitution of paragraph (c)) ceases to have effect.
- (4) In Schedule 21 to the Civil Partnership Act 2004 (c. 33) (existing provisions to which the provisions of section 246 about interpretation of references to stepchildren apply), after paragraph 11 insert – 10
- “11A Section 3(4) of the Pneumoconiosis etc. (Workers’ Compensation) Act 1979 (“child” and “relative”: establishment of relationship).”

Other

- 59 Power to stop payment of allowances to care home residents** 15
- (1) In section 67 of the Contributions and Benefits Act (exclusions relating to attendance allowance) for subsection (2) substitute –
- “(2) Regulations may provide that an attendance allowance shall not be payable in respect of a person for a period when he is a resident of a care home in circumstances in which any of the costs of any qualifying services provided for him are borne out of public or local funds under a specified enactment. 20
- (3) The reference in subsection (2) to a care home is to an establishment that provides accommodation together with nursing or personal care.
- (4) The following are qualifying services for the purposes of subsection (2) – 25
- (a) accommodation,
- (b) board, and
- (c) personal care.
- (5) The reference in subsection (2) to a specified enactment is to an enactment which is, or is of a description, specified for the purposes of that subsection by regulations. 30
- (6) The power to specify an enactment for the purposes of subsection (2) includes power to specify it only in relation to its application for a particular purpose. 35
- (7) In this section, “enactment” includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament.”
- (2) In section 72 of that Act (care component of disability living allowance), for subsection (8) substitute –
- “(8) Regulations may provide that no amount in respect of a disability living allowance which is attributable to entitlement to the care component shall be payable in respect of a person for a period when he is a resident of a care home in circumstances in which any of the costs 40

- of any qualifying services provided for him are borne out of public or local funds under a specified enactment.
- (9) The reference in subsection (8) to a care home is to an establishment that provides accommodation together with nursing or personal care.
- (10) The following are qualifying services for the purposes of subsection (8) – 5
- (a) accommodation,
 - (b) board, and
 - (c) personal care.
- (11) The reference in subsection (8) to a specified enactment is to an enactment which is, or is of a description, specified for the purposes of that subsection by regulations. 10
- (12) The power to specify an enactment for the purposes of subsection (8) includes power to specify it only in relation to its application for a particular purpose. 15
- (13) In this section, “enactment” includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament.”

60 Independent Living Funds

- (1) In section 1(1) of the Disability (Grants) Act 1993 (c. 14) (which lists the organisations to which grants may be made by the Secretary of State) – 20
- (a) paragraphs (a) and (b) (Independent Living (Extension) Fund and Independent Living (1993) Fund) cease to have effect;
 - (b) after paragraph (c) insert “, and
 - (d) the Independent Living Fund (2006) established by a deed dated 10th April 2006 and made between the Secretary of State for Work and Pensions of the one part and Margaret Rosemary Cooper, Michael Beresford Boyall and Marie Theresa Martin of the other part.” 25
- (2) In section 1(4) of that Act (modifications for Northern Ireland), in paragraph (a) (which substitutes for the Secretary of State the relevant Northern Ireland department), after “(other than the reference in subsection (1)(a) to the Secretary of State for Social Security” insert “and the reference in subsection (1)(d) to the Secretary of State for Work and Pensions”. 30
- (3) The Secretary of State may by order made by statutory instrument amend or revoke any enactment contained in subordinate legislation (within the meaning of the Interpretation Act 1978 (c. 30)) if he considers it appropriate to do so in consequence of the amendments made by this section. 35
- (4) A statutory instrument containing an order under subsection (3) shall be subject to annulment in pursuance of a resolution of either House of Parliament. 40
- (5) The Department for Social Development in Northern Ireland may by order made by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)) amend or revoke any enactment contained in an instrument within the meaning of section 1(c) of the Interpretation Act (Northern Ireland) 1954 (c. 33 (N.I.)) if it considers it appropriate to do so in consequence of the amendments made by this section. 45

- (6) A statutory rule containing an order under subsection (5) shall be subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954 (c. 33 (N.I.)).

61 Minor and consequential amendments relating to Part 4

Schedule 7 (which makes miscellaneous minor amendments and amendments consequential on this Part) has effect. 5

PART 5

GENERAL

62 Northern Ireland

- (1) This section applies to an Order in Council under paragraph 1(1) of the Schedule to the Northern Ireland Act 2000 (c. 1) (legislation for Northern Ireland during suspension of devolved government) which contains a statement that it is made only for purposes corresponding to those of this Act. 10
- (2) Such an Order –
- (a) is not subject to paragraph 2 of that Schedule (affirmative resolution of both Houses of Parliament), but 15
 - (b) is subject to annulment in pursuance of a resolution of either House of Parliament.

63 General interpretation

In this Act – 20

“Administration Act” means the Social Security Administration Act 1992 (c. 5);

“Contributions and Benefits Act” means the Social Security Contributions and Benefits Act 1992 (c. 4).

64 Financial provisions: general

- (1) There shall be paid out of money provided by Parliament – 25
- (a) any expenditure incurred by the Secretary of State in consequence of Parts 2 to 4 of this Act, and
 - (b) any increase attributable to this Act in the sums payable out of money so provided under any other enactment. 30
- (2) There shall be paid into the Consolidated Fund any increase attributable to this Act in the sums payable into that Fund under any other enactment.

65 Repeals

The enactments specified in Schedule 8 are hereby repealed to the extent specified. 35

66 Transition

- (1) The Secretary of State may by order made by statutory instrument make in connection with the coming into force of any provision of this Act such transitional provision or savings as he considers necessary or expedient.
- (2) The power under subsection (1) includes power to make – 5
 - (a) different provision for different cases or areas;
 - (b) incidental, supplementary and consequential provision.
- (3) The power under subsection (1) is not exercisable in respect of any matter for which provision may be made under Schedule 4.

67 Extent

10

- (1) Subject to the following provisions, this Act extends to England and Wales and Scotland only.
- (2) The following provisions extend to England and Wales only – 15
 - (a) sections 41(1) to (10) and 42, and
 - (b) paragraphs 6, 11(2) and 15 of Schedule 3.
- (3) Paragraphs 1, 2, 4, 11(3), 13 and 21 of Schedule 3 extend to Scotland only.
- (4) The following provisions also extend to Northern Ireland – 20
 - (a) sections 32(7), 48, 55, 56, 60, 62, 63, 66, this section and sections 68 and 69,
 - (b) paragraph 15 of Schedule 2, and sections 21 and 23 to 25 so far as relating thereto,
 - (c) paragraphs 5, 10(28), 16(1) and (2), 18 and 23 of Schedule 3, and section 27 so far as relating thereto,
 - (d) paragraph 1 of Schedule 7, and section 61 so far as relating thereto, and
 - (e) Schedule 8, so far as relating to the Vaccine Damage Payments Act 1979 (c. 17), the Income and Corporation Taxes Act 1988 (c. 1), the Disability (Grants) Act 1993 (c. 14), section 2 of the Social Security Act 1998 (c. 14) and the Income Tax (Earnings and Pensions) Act 2003 (c. 1), and section 65 so far as relating thereto. 25
- (5) The following provisions extend to Northern Ireland only – 30
 - (a) section 44, and
 - (b) Schedule 8, so far as relating to the Social Security Administration (Northern Ireland) Act 1992 (c. 8), and section 65 so far as relating thereto.
- (6) The following provisions also extend to the Isle of Man – 35
 - (a) sections 55 and 56, section 66, this section and sections 68 and 69,
 - (b) paragraph 1 of Schedule 7, and section 61 so far as relating thereto, and
 - (c) Schedule 8, so far as relating to the Vaccine Damage Payments Act 1979, and section 65 so far as relating thereto.

68 Commencement

40

- (1) The following provisions shall come into force at the end of the period of 2 months beginning with the day on which this Act is passed –
 - (a) sections 40(2) and (3), 43, 44, 53, 54, 58 and 60(1)(b) and (2) to (6),

- (b) paragraphs 1 to 4, 10, 11 and 14 of Schedule 5, and section 39 so far as relating thereto,
 - (c) paragraphs 2(1) and (3), 3 and 4 of Schedule 7, and section 61 so far as relating thereto, and
 - (d) Schedule 8, so far as relating to— 5
 - (i) section 3(5) of the Pneumoconiosis etc. (Workers' Compensation) Act 1979 (c. 41),
 - (ii) section 140(1A) of the Contributions and Benefits Act,
 - (iii) sections 71(5), 71ZA, 134(8)(a) and 168(3)(d) of the Administration Act, 10
 - (iv) section 69(5) of the Social Security Administration (Northern Ireland) Act 1992 (c. 8),
 - (v) Schedule 13 to the Local Government etc. (Scotland) Act 1994 (c. 39),
 - (vi) section 38(7)(a) of, and paragraph 81(2) of Schedule 7 to, the Social Security Act 1998 (c. 14), and 15
 - (vii) paragraph 65 of Schedule 24 to the Civil Partnership Act 2004 (c. 33),and section 65 so far as relating thereto.
- (2) The remaining provisions of this Act, except— 20
- (a) this section,
 - (b) sections 62, 63, 64, 66, 67 and 69, and
 - (c) paragraph 8 of Schedule 5, and section 39 so far as relating thereto,
- shall come into force on such day as the Secretary of State may by order made by statutory instrument appoint, and different days may be so appointed for different purposes. 25

69 Short title

This Act may be cited as the Welfare Reform Act 2007.

SCHEDULES

SCHEDULE 1

Section 1

EMPLOYMENT AND SUPPORT ALLOWANCE: ADDITIONAL CONDITIONS

PART 1

CONTRIBUTORY ALLOWANCE

5

Conditions relating to national insurance

- 1 (1) The first condition is that –
 - (a) the claimant has actually paid Class 1 or Class 2 contributions in respect of one of the last three complete tax years (“the base tax year”) before the beginning of the relevant benefit year, 10
 - (b) those contributions must have been paid before the relevant benefit week, and
 - (c) the earnings factor derived as mentioned in sub-paragraph (2) must be not less than the base tax year’s lower earnings limit multiplied by 25. 15
- (2) The earnings factor referred to in sub-paragraph (1)(c) is the aggregate of the claimant’s earnings factors derived –
 - (a) from so much of his earnings as did not exceed the base tax year’s upper earnings limit and upon which primary Class 1 contributions have been paid or treated as paid, and 20
 - (b) from Class 2 contributions.
- (3) Where primary Class 1 contributions have been paid or treated as paid on any part of a person’s earnings, sub-paragraph (2)(a) shall have effect as if such contributions had been paid or treated as paid on so much of the earnings as did not exceed the base tax year’s upper earnings limit. 25
- (4) Regulations may –
 - (a) provide for the condition set out in sub-paragraph (1) to be taken to be satisfied in the case of persons who have been entitled to any prescribed description of benefit during any prescribed period or at any prescribed time; 30
 - (b) with a view to securing any relaxation of the requirements of that condition in relation to persons who have been so entitled, provide for that condition to apply in relation to them subject to prescribed modifications.
- (5) In sub-paragraph (4), “benefit” means – 35
 - (a) any benefit within the meaning of section 122(1) of the Contributions and Benefits Act,

- (b) any benefit under Parts 7 to 12 of that Act,
 - (c) credits under regulations under section 22(5) of that Act,
 - (d) a contributory allowance, and
 - (e) working tax credit.

- 2 (1) The second condition is that – 5
 - (a) the claimant has in respect of the last two complete tax years before the beginning of the relevant benefit year either paid or been credited with Class 1 or Class 2 contributions or been credited with earnings, and
 - (b) the earnings factor derived as mentioned in sub-paragraph (2) must be not less in each of those years than the year’s lower earnings limit multiplied by 50. 10

- (2) The earnings factor referred to in sub-paragraph (1)(b) is the aggregate of the claimant’s earnings factors derived –
 - (a) from so much of his earnings as did not exceed the upper earnings limit for the year and upon which primary Class 1 contributions have been paid or treated as paid or from earnings credited, and 15
 - (b) from Class 2 contributions.

- (3) Where primary Class 1 contributions have been paid or treated as paid on any part of a person’s earnings, sub-paragraph (2)(a) shall have effect as if such contributions had been paid or treated as paid on so much of the earnings as did not exceed the upper earnings limit for the year. 20

- 3 (1) For the purposes of paragraphs 1 and 2 –
 - (a) “benefit year” means a period which is a benefit year for the purposes of Part 2 of the Contributions and Benefits Act or such other period as may be prescribed for the purposes of this Part of this Schedule; 25
 - (b) “Class 1 contributions”, “Class 2 contributions” and “primary Class 1 contributions” have the same meaning as in the Contributions and Benefits Act (see section 1 of that Act); 30
 - (c) “earnings” shall be construed in accordance with sections 3, 4 and 112 of that Act;
 - (d) “earnings factor” shall be construed in accordance with sections 22 and 23 of that Act;
 - (e) “lower earnings limit” and “upper earnings limit” shall be construed in accordance with section 5 of that Act and references to the lower or upper earnings limit of a tax year are to whatever is (or was) the limit in force for that year under that section; 35
 - (f) “relevant benefit year” is the benefit year which includes the beginning of the period of limited capability for work which includes the relevant benefit week; 40
 - (g) “tax year” means the 12 months beginning with 6th April in any year.

- (2) Regulations may provide for sub-paragraph (1)(g) to have effect in prescribed circumstances with prescribed modifications in the case of –
 - (a) a person who has previously ceased to be entitled to a contributory allowance; 45
 - (b) a person who has made a claim for an employment and support allowance in connection with which he failed to satisfy one or both of the conditions in paragraphs 1 and 2.

Condition relating to youth

- 4 (1) The third condition is that –
- (a) the claimant was under 20 or, in prescribed cases, 25 when the relevant period of limited capability for work began,
 - (b) he is not receiving full-time education, 5
 - (c) he satisfies such conditions as may be prescribed with respect to residence or presence in Great Britain (or both), and
 - (d) there has been a day in the relevant period of limited capability for work –
 - (i) which was a day on which he was aged at least 16, and 10
 - (ii) which was preceded by a period of 196 consecutive days throughout which he had limited capability for work.
- (2) In sub-paragraph (1), “relevant period of limited capability for work” means the period of limited capability for work which includes the relevant benefit week. 15
- (3) Regulations may prescribe circumstances in which sub-paragraph (1)(a) does not apply in the case of a person who has previously ceased to be entitled to an employment and support allowance to which he was entitled by virtue of satisfying the condition set out in sub-paragraph (1).
- (4) Regulations may make provision about when, for the purposes of sub-paragraph (1)(b), a person is, or is not, to be treated as receiving full-time education. 20

“Relevant benefit week”

- 5 In this Part of this Schedule, “relevant benefit week” means the week in relation to which the question of entitlement to an employment and support allowance is being considered. 25

PART 2

INCOME-RELATED ALLOWANCE

- 6 (1) The conditions are that the claimant –
- (a) has an income which does not exceed the applicable amount or has no income; 30
 - (b) does not have capital which, or a prescribed part of which, exceeds the prescribed amount;
 - (c) is not entitled to state pension credit;
 - (d) is not a member of a couple the other member of which is entitled to an income-related allowance, state pension credit, income support or an income-based jobseeker’s allowance; 35
 - (e) is not engaged in remunerative work;
 - (f) is not a member of a couple the other member of which is engaged in remunerative work; 40
 - (g) is not receiving education.
- (2) Where the claimant is a member of a couple, the income and capital of the other member of the couple shall, except in prescribed circumstances, be

- treated for the purpose of this paragraph as income and capital of the claimant.
- (3) Regulations may prescribe circumstances in which, for the purposes of sub-paragraph (1)(e) and (f) –
- (a) a person who is not engaged in remunerative work is to be treated as engaged in remunerative work, or 5
 - (b) a person who is engaged in remunerative work is to be treated as not engaged in remunerative work.
- (4) Regulations may –
- (a) make provision about when, for the purposes of sub-paragraph (1)(g), a person is, or is not, to be treated as receiving education; 10
 - (b) prescribe circumstances in which sub-paragraph (1)(g) does not apply.
- (5) In this paragraph –
- “applicable amount” means the amount which, in the claimant’s case, is the applicable amount for the purposes of section 4(1); 15
 - “couple” means –
 - (a) a man and woman who are married to each other and are members of the same household;
 - (b) a man and woman who are not married to each other, but are living together as husband and wife otherwise than in prescribed circumstances; 20
 - (c) two people of the same sex who are civil partners of each other and are members of the same household; or
 - (d) two people of the same sex who are not civil partners of each other, but are living together as if they were civil partners otherwise than in prescribed circumstances; 25
 - “education” has such meaning as may be prescribed;
 - “income-based jobseeker’s allowance” has the same meaning as in the Jobseekers Act 1995 (c. 18); 30
 - “remunerative work” has such meaning as may be prescribed.
- (6) For the purposes of this paragraph, two people of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex. 35
- (7) Regulations may make provision for the preceding provisions of this paragraph to have effect with prescribed modifications in a case where –
- (a) the claimant is a husband or wife by virtue of a marriage entered into under a law which permits polygamy,
 - (b) either party to the marriage has for the time being any spouse additional to the other party, and 40
 - (c) the claimant, the other party to the marriage and the additional spouse are members of the same household.
- (8) Regulations may make provision for the purposes of this paragraph as to circumstances in which people are to be treated as being or not being members of the same household. 45

SCHEDULE 2

Section 21

EMPLOYMENT AND SUPPORT ALLOWANCE: SUPPLEMENTARY PROVISIONS

Limited capability for work

- | | | |
|---|---|----|
| 1 | Regulations may make provision – | |
| | (a) for a person to be treated in prescribed circumstances as having, or as not having, limited capability for work; | 5 |
| | (b) for the question of whether a person has limited capability for work to be determined notwithstanding that he is for the time being treated by virtue of regulations under sub-paragraph (a) as having limited capability for work; | 10 |
| | (c) for the question of whether a person has limited capability for work to be determined afresh in prescribed circumstances. | |

Waiting days

- | | | |
|---|--|----|
| 2 | Except in prescribed circumstances, a person is not entitled to an employment and support allowance in respect of a prescribed number of days at the beginning of a period of limited capability for work. | 15 |
|---|--|----|

Periods of less than a week

- | | | |
|---|--|----|
| 3 | Regulations may make provision in relation to – | |
| | (a) entitlement to an employment and support allowance, or | |
| | (b) the amount payable by way of such an allowance, | 20 |
| | in respect of any period of less than a week. | |

Linking periods

- | | | |
|---|---|----|
| 4 | (1) Regulations may provide for circumstances in which a period of limited capability for work which is separated from another period of limited capability for work by not more than a prescribed length of time is to be treated for the purposes of this Part as a continuation of the earlier period. | 25 |
| | (2) Regulations may provide, in relation to periods which are linked by virtue of regulations under sub-paragraph (1), that a condition which was satisfied in relation to the earlier period is to be treated for the purposes of this Part as satisfied in relation to the later period. | 30 |

Presence in Great Britain

- | | | |
|---|---|--|
| 5 | Regulations may make provision for the purposes of this Part as to the circumstances in which a person is to be treated as being, or not being, in Great Britain. | |
|---|---|--|

Contributory allowance: entitlement in case of absence from Great Britain 35

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|---|---|--|
| 6 | Regulations may provide that in prescribed circumstances a claimant who is not in Great Britain may nevertheless be entitled to a contributory allowance. | |
|---|---|--|

Contributory allowance: modification in relation to employment on ships etc.

- 7 (1) Regulations may modify any provision of this Part, so far as relating to a contributory allowance, in its application to any person who is, has been, or is to be –
- (a) employed on board any ship, vessel, hovercraft or aircraft, 5
 - (b) outside Great Britain at any prescribed time or in any prescribed circumstances, or
 - (c) in prescribed employment in connection with continental shelf operations.
- (2) Regulations under this paragraph may, in particular, provide – 10
- (a) for any provision of this Part to apply even though it would not otherwise apply;
 - (b) for any such provision not to apply even though it would otherwise apply;
 - (c) for the taking of evidence, in a country or territory outside Great Britain, by a consular official or other prescribed person; 15
 - (d) for enabling the whole, or any part, of a contributory allowance to be paid to such of the claimant’s dependants as may be prescribed.
- (3) In this paragraph, “continental shelf operations” has the same meaning as in section 120 of the Contributions and Benefits Act. 20

Income-related allowance: entitlement in case of absence from Great Britain

- 8 (1) Regulations may provide that in prescribed circumstances a claimant who is entitled to an income-related allowance immediately before ceasing to be in Great Britain continues to be entitled to such an allowance after ceasing to be in Great Britain. 25
- (2) Regulations may modify any provision of this Part, so far as relating to an income-related allowance, in its application to a person who is entitled to such an allowance by virtue of regulations under sub-paragraph (1).
- (3) Regulations under sub-paragraph (2) may, in particular, provide –
- (a) for any provision of this Part to apply even though it would not otherwise apply; 30
 - (b) for any such provision not to apply even though it would otherwise apply.

Limited capability for work-related activity

- 9 Regulations may make provision – 35
- (a) for a person to be treated in prescribed circumstances as having, or as not having, limited capability for work-related activity;
 - (b) for the question of whether a person has limited capability for work-related activity to be determined afresh in prescribed circumstances.

Effect of work

- 10 Regulations may prescribe circumstances in which a person is to be treated as not entitled to an employment and support allowance because of his doing work. 40

Treatment of allowance as “benefit”

- 11 Regulations may provide for –
- (a) an employment and support allowance,
 - (b) a contributory allowance, or
 - (c) an income-related allowance,
- to be treated, for prescribed purposes of the Contributions and Benefits Act, as a benefit, or a benefit of a prescribed description. 5

Attribution of reductions in cases where allowance taken to consist of two elements

- 12 Where an employment and support allowance is taken by virtue of section 6(5) to consist of two elements, any reduction in the amount payable in respect of the allowance which falls to be made by virtue of –
- (a) section 10,
 - (b) section 11,
 - (c) section 12, or
 - (d) section 2AA of the Administration Act (full entitlement to certain benefits conditional on work-focused interview for partner),
- shall be treated as reducing such of those elements by such amount as may be prescribed. 10 15

Treatment of information supplied as information relating to social security

- 13 Information supplied in pursuance of regulations under any of sections 8 to 12 shall be taken for all purposes to be information relating to social security. 20

Advance claims

- 14 This Part shall have effect with prescribed modifications in relation to cases where a claim to an employment and support allowance is by virtue of regulations under section 5(1)(c) of the Administration Act (advance claims) made, or treated as if made, for a period wholly or partly after the date on which it is made. 25

Members of the forces

- 15 (1) Regulations may modify –
- (a) any provision of this Part, or
 - (b) any corresponding provision made for Northern Ireland,
- in its application to persons who are or have been members of Her Majesty’s forces. 30
- (2) For the purposes of this paragraph, Her Majesty’s forces shall be taken to consist of prescribed establishments and organisations in which persons serve under the control of the Defence Council. 35

SCHEDULE 3

Section 27

CONSEQUENTIAL AMENDMENTS RELATING TO PART 1

Social Work (Scotland) Act 1968 (c. 49)

- 1 In section 78(2A) of the Social Work (Scotland) Act 1968 (which exempts persons in receipt of certain benefits from liability for contributions in respect of children in care etc.), after “1995)” insert “, an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance)”. 5

Education (Scotland) Act 1980 (c. 41)

- 2 In section 53(3) of the Education (Scotland) Act 1980 (pupils who qualify for free school meals etc.), in paragraphs (a) and (b), after sub-paragraph (ii) insert— 10
- “(iia) an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance);” 15

Transport Act 1982 (c. 49)

- 3 In section 70 of the Transport Act 1982 (payments in respect of applicants for exemption from wearing seat belts), in subsection (2) (applicants who qualify), in paragraph (b), for “or an income-based jobseeker’s allowance (payable under the Jobseekers Act 1995)” substitute “, an income-based jobseeker’s allowance (payable under the Jobseekers Act 1995), an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance),”. 20

Legal Aid (Scotland) Act 1986 (c. 47)

- 4 (1) The Legal Aid (Scotland) Act 1986 is amended as follows. 25
- (2) In section 8(b) (under which persons in receipt of certain benefits are eligible for advice and assistance), for the words from second “or” to the end substitute “, an income-based jobseeker’s allowance (payable under the Jobseekers Act 1995) or an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance),”. 30
- (3) In section 11(2)(b) (under which persons not in receipt of certain benefits are liable to contribute to the cost of advice and assistance), for the words from second “or” to the end substitute “, an income-based jobseeker’s allowance (payable under the Jobseekers Act 1995) or an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance),”. 35

Income and Corporation Taxes Act 1988 (c. 1)

- 5 (1) Section 347B of the Income and Corporation Taxes Act 1988 (qualifying maintenance payments) is amended as follows. 40
- (2) In subsection (12) (payments to be treated as maintenance payments), at the

end of paragraph (b) insert “; or

“(iii) made by virtue of section 22 of the Welfare Reform Act 2007 (recovery of sums in respect of maintenance), or any corresponding enactment in Northern Ireland, in respect of an income-related employment and support allowance claimed by any other person.”

5

(3) For subsection (13) substitute –

“(13) In subsection (12) –

“income-based jobseeker’s allowance” has the same meaning as in the Jobseekers Act 1995 or, for Northern Ireland, the same meaning as in any corresponding enactment in Northern Ireland;

10

“income-related employment and support allowance” means an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance) or, for Northern Ireland, under any corresponding enactment in Northern Ireland.”

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Children Act 1989 (c. 41)

6 (1) The Children Act 1989 is amended as follows.

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(2) In section 17 (provision of services for children in need, their families and others), in subsection (9) (persons exempt from repayment of assistance), for “or of an income-based jobseeker’s allowance” substitute “, of an income-based jobseeker’s allowance or of an income-related employment and support allowance”.

25

(3) In section 17A (direct payments), in subsection (5) (persons in relation to whom special provision applies), in paragraph (b), for “or of an income-based jobseeker’s allowance” substitute “, of an income-based jobseeker’s allowance or of an income-related employment and support allowance”.

(4) In section 29 (recoupment of costs of providing services etc.), in subsections (3) and (3A) (exempt persons), for “or of an income-based jobseeker’s allowance” substitute “, of an income-based jobseeker’s allowance or of an income-related employment and support allowance”.

30

(5) In section 105 (interpretation), in subsection (1), after the definition of “income-based jobseeker’s allowance” insert –

35

““income-related employment and support allowance” means an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance);”.

(6) In Schedule 2 (local authority support for children and families), in paragraph 21(4) (persons exempt from liability to contribute to maintenance of children looked after by local authority), for “or of an income-based jobseeker’s allowance” substitute “, of an income-based jobseeker’s allowance or of an income-related employment and support allowance”.

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Child Support Act 1991 (c. 48)

7 (1) The Child Support Act 1991 is amended as follows.

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- (2) In section 6 as amended by the Child Support, Pensions and Social Security Act 2000 (c. 19) (applications by those claiming or receiving benefit), in subsection (1), after “income-based jobseeker’s allowance” insert “, an income-related employment and support allowance”.
- (3) In that section as it has effect apart from the Child Support, Pensions and Social Security Act 2000 (applications by those receiving benefit), in subsection (1), after “income-based jobseeker’s allowance” insert “, an income-related employment and support allowance”. 5
- (4) In section 46 as amended by the Child Support, Pensions and Social Security Act 2000 (reduced benefit decisions), in subsection (10)(c) (definition of “relevant benefit”), for “or an income-based jobseeker’s allowance” substitute “, an income-based jobseeker’s allowance, an income-related employment and support allowance”. 10
- (5) In that section as it has effect apart from the Child Support, Pensions and Social Security Act 2000 (failure to comply with obligations imposed by section 6), in subsection (11), in the definition of “relevant benefit”, after “income-based jobseeker’s allowance” insert “, an income-related employment and support allowance”. 15
- (6) In section 47(3)(b) (persons to be exempted from payment of fees), after “income-based jobseeker’s allowance,” insert “an income-related employment and support allowance,”. 20
- (7) In section 54 (interpretation), after the definition of “income-based jobseeker’s allowance” insert –
 ““income-related employment and support allowance” means
 an income-related allowance under Part 1 of the Welfare
 Reform Act 2007 (employment and support allowance);”. 25
- (8) In Part 1 of Schedule 1 as it has effect apart from the Child Support, Pensions and Social Security Act 2000 (calculation of child support maintenance), in paragraph 5(4) (parents who are to be taken to have no assessable calculable income), after “income-based jobseeker’s allowance” insert “, an income-related employment and support allowance”. 30

Criminal Justice Act 1991 (c. 53)

- 8 In section 24 of the Criminal Justice Act 1991 (recovery of fines etc. by deduction from income support) –
 - (a) in subsections (1) and (2)(d), for “or state pension credit” substitute “, state pension credit or an income-related employment and support allowance”; 35
 - (b) in subsection (4), after the definition of “fine” insert –
 ““income-related employment and support allowance”
 means an income-related allowance under Part 1 of
 the Welfare Reform Act 2007 (employment and
 support allowance);”. 40

Social Security Contributions and Benefits Act 1992 (c. 4)

- 9 (1) The Contributions and Benefits Act is amended as follows.
 - (2) In section 6A (notional payment of primary Class 1 contribution where earnings not less than lower earnings limit), in subsection (3) (purposes for 45

- which Class 1 contribution treated as paid), at the end insert “; and
 (e) any purposes relating to employment and support allowance.”
- (3) In section 22 (earnings factors) –
- (a) in subsection (2) (purposes for which a person may be treated as having annual earnings factors), in paragraph (a), after “jobseeker’s allowance” insert “, to a contributory employment and support allowance”; 5
- (b) in subsection (5) (power to provide for crediting earnings or Class 2 contributions), after “jobseeker’s allowance” insert “, to a contributory employment and support allowance”. 10
- (4) At the end of section 22 insert –
- “(8) In this section, “contributory employment and support allowance” means a contributory allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance).” 15
- (5) Sections 30A to 30E (incapacity benefit) cease to have effect.
- (6) In section 61A (contributions paid in error), in subsection (3), at the end of paragraph (c) insert “and”.
- (7) In section 88 (increases of benefits to be in respect of only one adult dependant), for “86A” substitute “85”. 20
- (8) In section 89(1) and (1A) (earnings to include occupational and personal pensions etc. for purposes of provisions relating to increases of benefits in respect of adult dependants), for “to 86A” substitute “to 85”.
- (9) In section 124 (income support), in subsection (1), after paragraph (g) insert “; and 25
- (h) he is not entitled to an employment and support allowance and, if he is a member of a couple, the other member of the couple is not entitled to an income-related employment and support allowance.”
- (10) At the end of section 124 insert – 30
- “(7) In this section, “income-related employment and support allowance” means an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance).”
- (11) In section 150 (interpretation of Part 10: Christmas bonus) –
- (a) in subsection (1) (definition of “qualifying benefit”), after paragraph (b) insert – 35
- “(ba) a qualifying employment and support allowance;”;
- (b) in subsection (2), after the definition of “the qualifying age for state pension credit” insert –
- ““qualifying employment and support allowance” means an employment and support allowance under Part 1 of the Welfare Reform Act 2007 the calculation of the amount of which includes an addition in respect of the support component or the work-related activity component;” 40
- (12) Sections 171A to 171G (incapacity for work) cease to have effect. 45

(13) In paragraph 5 of Schedule 3 (contribution conditions for widowed mother’s allowance etc.), after sub-paragraph (6) insert –

“(6A) The first condition shall be taken to be satisfied if the contributor concerned was entitled to main phase employment and support allowance at any time during –

- (a) the year in which he attained pensionable age or died under that age, or
- (b) the year immediately preceding that year.

(6B) The reference in sub-paragraph (6A) to main phase employment and support allowance is to an employment and support allowance in the case of which the calculation of the amount payable in respect of the claimant includes an addition under section 2(1)(b) or 4(2)(b) of the Welfare Reform Act 2007 (addition where conditions of entitlement to support component or work-related activity component satisfied).”

Social Security Administration Act 1992 (c. 5)

10 (1) The Administration Act is amended as follows.

(2) In section 1 (entitlement to benefit dependent on claim), in subsection (4) (definition of “benefit”), after “state pension credit;” insert –

“(ac) an employment and support allowance;”

(3) In section 2AA (full entitlement to certain benefits conditional on work-focused interview for partner) in subsection (2) (benefits to which section applies), at the end insert “; and

(f) an employment and support allowance.”

(4) In section 5 (regulations about claims for and payments of benefit), in subsection (2) (benefits to which section applies), after paragraph (ab) insert –

“(ac) an employment and support allowance;”

(5) In section 15A (payment out of benefit of sums in respect of mortgage interest etc.) –

(a) in subsection (1) (cases in which section applies), for “or an income-based jobseeker’s allowance”, in each place, substitute “; an income-based jobseeker’s allowance or an income-related employment and support allowance”;

(b) in subsection (4), in the definition of “qualifying associate”, for “or state pension credit” substitute “; state pension credit or an income-related employment and support allowance” and for “or the State Pension Credit Act 2002” substitute “; the State Pension Credit Act 2002 or Part 1 of the Welfare Reform Act 2007”;

(c) in that subsection, in the definition of “relevant benefits”, after paragraph (c) insert –

“(d) an employment and support allowance;”

(6) In section 71 (overpayments), in subsection (11) (benefits to which section applies), after paragraph (ab) insert –

“(ac) an employment and support allowance;”

(7) In section 73 (overlapping benefits) –

-
- (a) in subsection (1), after “contribution-based jobseeker’s allowance” insert “or a contributory employment and support allowance”;
- (b) in subsection (4), at the end of paragraph (b) insert “or
(c) a contributory employment and support allowance,”.
- (8) In section 74 (income support and other payments) – 5
- (a) in subsections (1)(b) and (2)(b), for “or state pension credit” substitute “, state pension credit or an income-related employment and support allowance”;
- (b) in subsection (3)(b), for “or an income-based jobseeker’s allowance”, in each place, substitute “, an income-based jobseeker’s allowance or an income-related employment and support allowance”. 10
- (9) In section 74A (payment of benefit where maintenance payments collected by Secretary of State), in subsection (7) (benefits to which section applies), after “an income-based jobseeker’s allowance” insert “, an income-related employment and support allowance”. 15
- (10) In section 105 (failure to maintain) –
- (a) in subsection (1)(b), for “or an income-based jobseeker’s allowance” substitute “, an income-based jobseeker’s allowance or an income-related employment and support allowance”;
- (b) in subsection (4), after “an income-based jobseeker’s allowance” insert “or an income-related employment and support allowance”. 20
- (11) In section 109(1) (diversion of arrested earnings to the Secretary of State - Scotland), after “income support”, in both places, insert “or an income-related employment and support allowance”.
- (12) In section 121DA (interpretation of Part 6), in subsection (1) (definition of “relevant social security legislation”), after paragraph (hh) insert – 25
- “(hi) Part 1 of the Welfare Reform Act 2007;”.
- (13) In section 122ZA (supply of tax information to assess certain employment or training schemes), in subsection (6)(b), after “the Jobseekers Act 1995 (c. 18)” insert “, Part 1 of the Welfare Reform Act 2007”. 30
- (14) In section 122B (supply of other government information for fraud prevention and verification), in subsection (3)(b), after “the Jobseekers Act 1995” insert “, Part 1 of the Welfare Reform Act 2007”.
- (15) In section 122C (supply of information to authorities administering benefit), in subsection (6)(b), after “the Jobseekers Act 1995” insert “, Part 1 of the Welfare Reform Act 2007”. 35
- (16) In section 124 (provisions relating to age, death and marriage), in subsection (1), before “and” at the end of paragraph (ab) insert –
- “(ac) of the provisions of Part 1 of the Welfare Reform Act 2007;”.
- (17) In section 125 (regulations as to notification of death), in subsection (1), after “the State Pension Credit Act 2002” insert “, Part 1 of the Welfare Reform Act 2007”. 40
- (18) In section 126 (personal representatives to give information about the estate of a deceased person who was in receipt of certain benefits), in subsection (1), after “state pension credit” insert “, an income-related employment and support allowance”. 45

- (19) In section 130 (duties of employers: statutory sick pay), in subsection (1) (power to require employer to supply information in connection with making of claim for certain benefits by employee), at the end insert –
“*(f)* an employment and support allowance.”
- (20) In section 132 (power to require employers to provide information in connection with claims to certain benefits), in subsection (1), after paragraph (a) insert –
“*(aa)* an employment and support allowance;” 5
- (21) In section 150(7) (power to include in annual up-rating order provision for increase in sums not required to be up-rated), for “or the State Pension Credit Act 2002” substitute “, the State Pension Credit Act 2002 or Part 1 of the Welfare Reform Act 2007”. 10
- (22) In section 159B (effect of alterations affecting state pension credit) –
(a) before “or” at the end of subsection (1)(b)(iii) insert –
“*(iiia)* in any component of a contributory employment and support allowance;” 15
(b) in subsection (6), in the definition of “component”, at the end insert –
“*(c)* in relation to a contributory employment and support allowance, means any of the sums specified in regulations under Part 1 of the Welfare Reform Act 2007 which are relevant in calculating the amount payable by way of a contributory employment and support allowance;” 20
- (23) After section 159B insert – 25
- “159C Effect of alteration of rates of an employment and support allowance**
- (1) Subject to such exceptions and conditions as may be prescribed, subsection (2) or (3) shall have effect where –
(a) an award of an employment and support allowance is in force in favour of any person (“the recipient”), and 30
(b) an alteration –
(i) in any component of the allowance,
(ii) in the recipient’s benefit income, or
(iii) in the recipient’s war disablement or war widow’s or widower’s pension, 35
affects the computation of the amount of the employment and support allowance to which he is entitled.
- (2) Where, as a result of the alteration, the amount of the employment and support allowance to which the recipient is entitled is increased or reduced, then, as from the commencing date, the amount of the employment and support allowance payable in the case of the recipient under the award shall be the increased or reduced amount, without any further decision of the Secretary of State; and the award shall have effect accordingly. 40
- (3) Where, notwithstanding the alteration, the recipient continues on and after the commencing date to be entitled to the same amount by way of an employment and support allowance as before, the award shall continue in force accordingly. 45

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- (4) Subsection (5) applies where a statement is made in the House of Commons by or on behalf of the Secretary of State which specifies—
- (a) in relation to any of the items referred to in subsection (1)(b)(i) to (iii), the amount of the alteration which he proposes to make by an order under section 150 or 152 or by or under any other enactment, and 5
 - (b) the date on which he proposes to bring the alteration into force (“the proposed commencing date”).
- (5) If, in a case where this subsection applies, an award of an employment and support allowance is made in favour of a person before the proposed commencing date and after the date on which the statement is made, the award— 10
- (a) may provide for the employment and support allowance to be paid as from the proposed commencing date at a rate determined by reference to the amounts of the items referred to in subsection (1)(b)(i) to (iii) which will be in force on that date, or 15
 - (b) may be expressed in terms of the amounts of those items in force at the date of the award.
- (6) In this section— 20
- “alteration” means—
- (a) in relation to any component of an employment and support allowance, its alteration by or under any enactment;
 - (b) in relation to a person’s benefit income, the alteration of any of the sums referred to in section 150 by any enactment or by an order under section 150 or 152 to the extent that any such alteration affects the amount of his benefit income; 25
 - (c) in relation to a person’s war disablement pension or war widow’s or widower’s pension, its alteration by or under any enactment; 30
- “benefit income”, in relation to a person, means so much of his income as consists of benefit under the Contributions and Benefits Act; 35
- “the commencing date”, in relation to an alteration, means the date on which the alteration comes into force in relation to the recipient;
- “component”, in relation to an employment and support allowance, means any of the sums specified in regulations under Part 1 of the Welfare Reform Act 2007 which are relevant in calculating the amount payable by way of an employment and support allowance; 40
- “war disablement pension” and “war widow’s or widower’s pension” have the same meaning as in section 159B.” 45
- (24) After section 160A insert—
- “160B Implementation of increases in employment and support allowance due to attainment of particular ages**
- (1) This section applies where—

- (a) an award of an employment and support allowance is in force in favour of a person (“the recipient”), and
 - (b) a component has become applicable, or applicable at a particular rate, because he or some other person has reached a particular age (“the qualifying age”).5
- (2) If, as a result of the recipient or other person reaching the qualifying age, the recipient becomes entitled to an employment and support allowance of an increased amount, the amount payable to or for him under the award shall, as from the day on which he becomes so entitled, be that increased amount, without any further decision of the Secretary of State; and the award shall have effect accordingly. 10
- (3) Subsection (2) does not apply where, in consequence of the recipient or other person reaching the qualifying age, a question arises in relation to the recipient’s entitlement to a benefit under the Contributions and Benefits Act. 15
- (4) Subsection (2) does not apply where, in consequence of the recipient or other person reaching the qualifying age, a question arises in relation to the recipient’s entitlement to an employment and support allowance, other than –
 - (a) the question whether the component concerned, or any other component, becomes or ceases to be applicable, or applicable at a particular rate, in the recipient’s case, and
 - (b) the question whether, in consequence, the amount of his employment and support allowance falls to be varied.20
- (5) In this section, “component”, in relation to a recipient and his employment and support allowance, means any of the amounts determined in accordance with regulations made under section 2(1)(a) or 4(2)(a) of the Welfare Reform Act 2007.” 25
- (25) In section 164 (destination of repayments), in subsection (1), after “section 38 of the Jobseekers Act 1995” insert “, section 26 of the Welfare Reform Act 2007”. 30
- (26) In section 165(6)(a) (under which no adjustment between the National Insurance Fund and the Consolidated Fund is required for administrative expenses of the Secretary of State relating to benefits payable out of money provided by Parliament), for “or section 20 of the State Pension Credit Act 2002” substitute “, section 20 of the State Pension Credit Act 2002 or section 26 of the Welfare Reform Act 2007”. 35
- (27) In section 166 (financial review and report), in subsection (2) (duty at end of each review period to review operation of certain provisions) –
 - (a) after paragraph (b) insert – 40
 - “(ba) the provisions of Part 1 of the Welfare Reform Act 2007 relating to contributory employment and support allowance;”;
 - (b) in paragraph (c), for “and (b)” substitute “to (ba)”.
- (28) In section 170 (Social Security Advisory Committee), in subsection (5) – 45
 - (a) in the definition of “the relevant enactments”, after paragraph (ai)

- insert—
- “(aia) the provisions of Part 1 of the Welfare Reform Act 2007;”;
- (b) in the definition of “the relevant Northern Ireland enactments”, after paragraph (ai) insert— 5
- “(aia) any provisions in Northern Ireland which correspond to provisions of Part 1 of the Welfare Reform Act 2007;”.
- (29) In section 179 (reciprocal agreements with countries outside the United Kingdom) — 10
- (a) in subsection (3)(a), after “the State Pension Credit Act 2002” insert “, Part 1 of the Welfare Reform Act 2007”;
- (b) in subsection (4), before “and” at the end of paragraph (ae) insert “and 15
- (af) Part 1 of the Welfare Reform Act 2007;”;
- (c) in subsection (5), after paragraph (ab) insert—
- “(ac) employment and support allowance;”.
- (30) In section 180 (payment of travelling expenses by Secretary of State), after “the State Pension Credit Act 2002”, in both places, insert “, Part 1 of the Welfare Reform Act 2007”. 20
- (31) In section 187 (certain benefits to be inalienable), in subsection (1), after paragraph (ab) insert—
- “(ac) an employment and support allowance;”.
- (32) In section 191 (general interpretation) —
- (a) in the definition of “benefit”, for “and state pension credit” substitute “, state pension credit and an employment and support allowance”; 25
- (b) after the definition of “the Contributions and Benefits Act” insert—
- ““contributory employment and support allowance” means a contributory allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance);”;
- (c) after the definition of “income-related benefit” insert—
- ““income-related employment and support allowance” means an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance);”.
- 35

Local Government Finance Act 1992 (c. 14)

- 11 (1) The Local Government Finance Act 1992 is amended as follows.
- (2) In Schedule 4 (enforcement in England and Wales) —
- (a) in paragraph 6 (deductions from income support etc.), in subparagraphs (1) and (2)(b), for “or state pension credit” substitute “, state pension credit or an income-related employment and support allowance”; 40
- (b) in paragraph 12 (relationship between remedies), after sub-

paragraph (1)(bb) insert – “(bc) deductions from income-related employment and support allowance may be resorted to more than once.”;	
(c) after paragraph 20 insert –	5
“21 In this Schedule, “income-related employment and support allowance” means an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance).”	
(3) In Schedule 8 (enforcement in Scotland) –	10
(a) in paragraph 6 (deductions from income support etc.), in subparagraphs (1) and (2)(b), for “or state pension credit” substitute “, state pension credit or an income-related employment and support allowance”;	
(b) in that paragraph, at the end insert –	15
“(3) In this paragraph, “income-related employment and support allowance” means an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance).”	
<i>Jobseekers Act 1995 (c. 18)</i>	20
12 (1) The Jobseekers Act 1995 is amended as follows.	
(2) In section 1 (the jobseeker’s allowance), in subsection (2) (conditions of entitlement), for paragraph (f) substitute –	
“(f) does not have limited capability for work;”.	
(3) In section 3 (income-based conditions), in subsection (1) –	25
(a) in paragraph (b), for “or state pension credit” substitute “, state pension credit or an income-related employment and support allowance”;	
(b) after paragraph (dd) insert –	
“(de) is not a member of a couple the other member of which is entitled to an income-related employment and support allowance;”.	30
(4) In section 3A (conditions for claims by joint-claim couples), in subsection (1), after paragraph (cc) insert –	
“(cd) that neither member of the couple is entitled to an income-related employment and support allowance;”.	35
(5) In section 35 (interpretation) –	
(a) in subsection (1), after the definition of “income-based jobseeker’s allowance” insert –	
““income-related employment and support allowance” means an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance);”;	40
(b) in subsection (2), for “capable of work” substitute “limited capability for work”.	45
(6) In Schedule 1 (supplementary provisions), for paragraph 2, and the italic	

cross-heading immediately preceding it, substitute –

“Limited capability for work

- 2 (1) The question whether a person has, or does not have, limited capability for work shall be determined, for the purposes of this Act, in accordance with the provisions of Part 1 of the Welfare Reform Act 2007 (employment and support allowance). 5
- (2) References in Part 1 of the Welfare Reform Act 2007 to the purposes of that Part shall be construed, where the provisions of that Part have effect for the purposes of this Act, as references to the purposes of this Act.” 10

Children (Scotland) Act 1995 (c. 36)

- 13 In section 22 of the Children (Scotland) Act 1995 (promotion of welfare of children in need), in subsection (4) (under which persons in receipt of certain benefits cannot be required to repay financial assistance), at the end insert “; or 15
- (c) an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance).”

Employment Tribunals Act 1996 (c. 17)

- 14 (1) The Employment Tribunals Act 1996 is amended as follows.
- (2) In section 16 (power to provide for recoupment of benefits) – 20
- (a) in subsections (3)(a) and (c) and (5)(cc) and (e), for “or income support” substitute “; income support or income-related employment and support allowance”;
- (b) in subsection (3)(b), for “either benefit” substitute “jobseeker’s allowance, income support or income-related employment and support allowance”; 25
- (c) in subsection (4), for paragraph (b) substitute –
- “(b) so as to apply to all or any of the benefits mentioned in subsection (3).”
- (3) In section 17 (recoupment: further provisions), in subsection (1), for “or income support”, in both places, substitute “; income support or income-related employment and support allowance”. 30
- (4) In that section, at the end insert –
- “(5) In this section and section 16 “income-related employment and support allowance” means an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance).” 35

Education Act 1996 (c. 56)

- 15 (1) The Education Act 1996 is amended as follows.
- (2) In section 457 (charges and remissions policies), in subsection (4)(b) (cases where receipt of benefit by pupil’s parent to give rise to remission), after 40

- sub-paragraph (ii) insert—
 “(iia) in receipt of an income-related employment and support allowance.”
- (3) In section 512ZB (provision of free school lunches and milk), in subsection (4) (eligibility for free lunches), in paragraphs (a) and (b), after sub-paragraph (ii) insert— 5
 “(iia) in receipt of an income-related employment and support allowance.”
- (4) In section 579 (interpretation), in subsection (1), after the definition of “higher education” insert— 10
 ““income-related employment and support allowance” means an income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance);”.

Social Security Act 1998 (c. 14)

- 16 (1) The Social Security Act 1998 is amended as follows. 15
- (2) In section 2 (use of computers), in subsection (2) (meaning of “relevant enactment”), after paragraph (i) insert “; or
 “(j) Part 1 of the Welfare Reform Act 2007.”
- (3) In section 8 (which provides for any decision on a claim for a relevant benefit, or under or by virtue of a relevant enactment, to be made by the Secretary of State)— 20
 (a) in subsection (3) (definition of “relevant benefit”), after paragraph (b) insert—
 “(ba) an employment and support allowance;”;
 (b) in subsection (4) (definition of “relevant enactment”), for “or the State Pension Credit Act 2002” substitute “, the State Pension Credit Act 2002 or Part 1 of the Welfare Reform Act 2007”. 25
- (4) In section 11 (regulations with respect to decisions), in subsection (3), in the definition of “the current legislation”, for “and the State Pension Credit Act 2002” substitute “, the State Pension Credit Act 2002 and Part 1 of the Welfare Reform Act 2007”. 30
- (5) In section 27 (restrictions on entitlement to benefit in certain cases of error), in subsection (7), in the definition of “benefit”—
 (a) after paragraph (dd) insert—
 “(de) an employment and support allowance;”;
 (b) in paragraph (e), for “to (dd)” substitute “to (de)”. 35
- (6) In section 28 (correction of errors and setting aside of decisions), in subsection (3) (definition of “relevant enactment”), at the end insert “; or
 (g) Part 1 of the Welfare Reform Act 2007.”
- (7) In Schedule 2 (decisions against which no appeal lies), in paragraph 6(b) (alteration of rates of benefit), at the end insert “, or
 (iv) section 159C(1)(b) of that Act (employment and support allowance).” 40
- (8) In Schedule 3 (decisions against which an appeal lies), in paragraph 3

(payability of benefit), at the end insert “; or
(g) section 17 of the Welfare Reform Act 2007.”

Welfare Reform and Pensions Act 1999 (c. 30)

- 17 In section 72 of the Welfare Reform and Pensions Act 1999 (power to make regulations about the use and supply of social security information), in subsection (3) (provisions in connection with which the power is exercisable), at the end insert “, or
(d) Part 1 of the Welfare Reform Act 2007.” 5

Immigration and Asylum Act 1999 (c. 33)

- 18 In section 115 of the Immigration and Asylum Act 1999 (exclusion from benefits), in subsection (1) (benefits to which entitlement excluded), after “State Pension Credit Act 2002” insert “or to income-related allowance under Part 1 of the Welfare Reform Act 2007 (employment and support allowance)”. 10

Child Support, Pensions and Social Security Act 2000 (c. 19) 15

- 19 (1) Section 62 of the Child Support, Pensions and Social Security Act 2000 (loss of benefit for breach of community order) is amended as follows.
- (2) After subsection (4) insert –
- “(4A) The Secretary of State may by regulations provide that, where the relevant benefit is an employment and support allowance, any income-related allowance (within the meaning of Part 1 of the Welfare Reform Act 2007) shall be payable, during the whole or part of the prescribed period, as if one or more of the following applied –
- (a) the rate of the allowance were such reduced rate as may be prescribed; 25
- (b) the allowance were payable only if there is compliance by the offender with such obligations with respect to the provision of information as may be imposed by the regulations;
- (c) the allowance were payable only if the circumstances are otherwise such as may be prescribed.” 30
- (3) In subsection (8), in the definition of “relevant benefit”, after paragraph (b) insert –
- “(ba) an employment and support allowance;”.

Local Government Act 2000 (c. 22)

- 20 In section 94 of the Local Government Act 2000 (disclosure of information), in subsection (1) (benefit information which may be disclosed), for “or state pension credit” substitute “, state pension credit or an income-related employment and support allowance.” 35

Adults with Incapacity (Scotland) Act 2000 (asp 4)

- 21 (1) The Adults with Incapacity (Scotland) Act 2000 is amended as follows. 40

(2) In section 39(1)(a) (which excepts from matters which may be managed those relating to benefit under the Contributions and Benefits Act), at the end insert “or Part 1 of the Welfare Reform Act 2007”.

(3) In section 41(a) (duties of managers in relation to matters which may be managed), at the end insert “or Part 1 of the Welfare Reform Act 2007”. 5

Social Security Fraud Act 2001 (c. 11)

22 (1) Section 9 of the Social Security Fraud Act 2001 (effect of offence on benefits of members of offender’s family) is amended as follows.

(2) In subsection (1) (benefits to which section applies), after paragraph (bb) insert – 10

“(bc) employment and support allowance;”.

(3) After subsection (4A) insert –

“(4B) In relation to cases in which the benefit is employment and support allowance, the provision that may be made by virtue of subsection (2) is provision that, in the case of the offender’s family member, any income-related allowance shall be payable, during the whole or a part of any period comprised in the relevant period, as if one or more of the following applied – 15

(a) the rate of the allowance were such reduced rate as may be prescribed; 20

(b) the allowance were payable only if there is compliance by the offender or the offender’s family member, or both of them, with such obligations with respect to the provision of information as may be imposed by the regulations;

(c) the allowance were payable only if circumstances are otherwise such as may be prescribed.” 25

Income Tax (Earnings and Pensions) Act 2003 (c. 1)

23 (1) The Income Tax (Earnings and Pensions) Act 2003 is amended as follows.

(2) In section 658(4) (amount charged to tax to be calculated in accordance with section 661), after “carer’s allowance,” insert “contributory employment and support allowance;” 30

(3) In the table of taxable benefits in section 660 (“Table A”), after the entry relating to “Carer’s allowance” insert –

“Contributory employment and support allowance	WRA 2007	Section 1(2)(a)	35
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Any provision made for Northern
Ireland which corresponds to
section 1(2)(a) of WRA 2007”

(4) In section 661(1) (social security income taxable on an accruals basis), after “carer’s allowance,” insert – 40

“contributory employment and support allowance;”.

- (5) In the table of benefits wholly exempt from tax in section 677 (“Table B”), after the entry relating to “Housing benefit” insert –

“Income-related employment and support allowance	WRA 2007	Section 1(2)(b)	5
---	----------	-----------------	---

Any provision made for Northern
Ireland which corresponds to
section 1(2)(b) of WRA 2007”

- (6) In Part 1 of Schedule 1 (abbreviations of Acts), at the end insert –

“WRA 2007	The Welfare Reform Act 2007”	10
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SCHEDULE 4

Section 28

TRANSITION RELATING TO PART 1

Pre-commencement claims

- | | | |
|---|--|----|
| 1 | Regulations may – | 15 |
| | (a) make provision for a claim for an existing benefit which is made before the appointed day to be treated wholly or partly as a claim for an employment and support allowance; | |
| | (b) make provision for the purpose of enabling claims for an employment and support allowance to be made before the appointed day for a period beginning on or after that day. | 20 |

Post-commencement claims

- | | | |
|---|--|----|
| 2 | Regulations may – | 25 |
| | (a) make provision excluding the making of a claim for an existing benefit on or after the appointed day; | |
| | (b) make provision for a claim which is made on or after the appointed day in circumstances where the making of a claim is excluded by virtue of regulations under sub-paragraph (a) to be treated as a claim for an employment and support allowance; | |
| | (c) make provision for a claim for an employment and support allowance to be treated wholly or partly as a claim for an existing benefit; | 30 |
| | (d) make provision excluding the making of a claim for an employment and support allowance by a person who is entitled to an existing benefit. | 35 |

Award of employment and support allowance for pre-commencement period

- | | |
|---|-------------------|
| 3 | Regulations may – |
|---|-------------------|

- (a) make provision for an employment and support allowance to be awarded in prescribed circumstances for a period before the appointed day;
- (b) make provision with respect to conditions of entitlement in relation to an award under sub-paragraph (a) and the amount payable by way of an allowance under such an award. 5

Matching of awards of employment and support allowance

- 4 (1) For the purposes of this paragraph, an award of an employment and support allowance is one that falls to be made on matching terms if –
- (a) it is made in pursuance of a claim by a person who was previously entitled to an existing benefit, 10
 - (b) but for regulations under paragraph 2(a), he could have made a further claim for that benefit, and
 - (c) an award in pursuance of the further claim would have been made on the basis of the linking of periods of incapacity for work. 15

- (2) Regulations may –
- (a) make provision for the purpose of securing that an award of an employment and support allowance that falls to be made on matching terms is made on terms which match in whole or part the award that would have been made in pursuance of a further claim to the existing benefit; 20
 - (b) make provision for the modification of matched awards for the purpose of securing that the person with the award is put in the position he would have been had he been made an award of the existing benefit which was then the subject of conversion under paragraph 6. 25
- (3) In sub-paragraph (2)(b), the reference to matched awards is to awards of an employment and support allowance that have been the subject of matching in pursuance of regulations under sub-paragraph (2)(a).

- 5 (1) For the purposes of this paragraph an award of an employment and support allowance is one which falls to be made on matching terms if –
- (a) it is made in pursuance of a claim by a person who was previously entitled to an existing benefit,
 - (b) had he continued to be entitled to that benefit, his award would have been the subject of conversion under paragraph 6 before the date of his claim for an employment and support allowance, 35
 - (c) but for regulations under paragraph 2(a), he could have made a further claim for that benefit, and
 - (d) an award in pursuance of the further claim would have been made on the basis of the linking of periods of incapacity for work. 40

- (2) Regulations may make provision for the purpose of securing that an award of an employment and support allowance that falls to be made on matching terms is made on terms which match in whole or part the award that would have resulted from conversion under paragraph 6 had entitlement to the existing benefit continued. 45

Treatment of awards of existing benefit

- 6 (1) Regulations may –

- (a) make provision for converting existing awards into awards of an employment and support allowance, and with respect to the terms of conversion;
- (b) make provision for the termination of existing awards in prescribed circumstances. 5
- (2) Regulations under sub-paragraph (1)(a) may, in particular –
- (a) make provision for conversion of an existing award –
- (i) on application, in accordance with the regulations, by the person entitled to the award, or
- (ii) without application; 10
- (b) make provision about the conditions to be satisfied in relation to an application for conversion;
- (c) make provision about the timing of conversion;
- (d) provide for an existing award to have effect after conversion as an award of an employment and support allowance – 15
- (i) of such a kind,
- (ii) for such period,
- (iii) of such an amount, and
- (iv) subject to such conditions,
- as the regulations may provide; 20
- (e) make provision for determining in connection with conversion of an existing award whether a person has limited capability for work-related activity.
- (3) Regulations under sub-paragraph (1)(a) may, in relation to existing awards which have been the subject of conversion under this paragraph, include provision about revision under section 9 of the Social Security Act 1998 (c. 14), or supersession under section 10 of that Act in respect of the period before conversion. 25
- (4) In this paragraph, “existing award” means –
- (a) an award of incapacity benefit under section 30A of the Contributions and Benefits Act; 30
- (b) an award which has effect by virtue of regulation 17(1) of the Social Security (Incapacity Benefit) (Transitional) Regulations 1995 (S.I. 1995/310) as if it were an award of long-term incapacity benefit (former invalidity benefit); 35
- (c) an award of severe disablement allowance under section 68 of that Act;
- (d) an award of income support under section 124 of that Act by virtue of paragraph 7(a) or (b) of Schedule 1B to the Income Support (General) Regulations 1987 (S.I. 1987/1967) (income support on grounds of incapacity for work). 40

Transitional allowances

- 7 Regulations may –
- (a) make provision for a person’s continuing entitlement to an employment and support allowance awarded by virtue of regulations under paragraph 6 (a “transitional allowance”) to be determined by reference to such provision as may be made by the regulations; 45

- (b) make provision for the review of an award of a transitional allowance;
 - (c) make provision for the termination of an award of a transitional allowance;
 - (d) make provision for this Part to have effect with prescribed modifications in relation to a person with a transitional allowance; 5
 - (e) make provision for the purpose of enabling a transitional allowance to be revised under section 9 of the Social Security Act 1998 (c. 14) or superseded under section 10 of that Act.
- 8 (1) Regulations may prescribe circumstances in which a person who is entitled to a transitional allowance immediately before reaching pensionable age is to be treated as having satisfied the condition in paragraph 5(2) of Schedule 3 to the Contributions and Benefits Act (first contribution condition for entitlement to state pension). 10
- (2) In this paragraph, “pensionable age” has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 (c. 26). 15

Post-commencement up-rating of incapacity benefit and severe disablement allowance

- 9 Regulations may provide for section 150 of the Administration Act (annual up-rating of benefits), so far as relating to—
- (a) incapacity benefit under section 30A of the Contributions and Benefits Act, or 20
 - (b) severe disablement allowance under section 68 of that Act, to have effect with prescribed modifications in relation to tax years beginning on or after the appointed day.

Interpretation 25

- 10 In this Schedule—
- “appointed day” means the day appointed for the coming into force of section 1;
 - “existing benefit” means—
 - (a) incapacity benefit under section 30A of the Contributions and Benefits Act, 30
 - (b) severe disablement allowance under section 68 of that Act, and
 - (c) income support under section 124 of that Act by virtue of paragraph 7(a) or (b) of Schedule 1B to the Income Support (General) Regulations 1987 (S.I. 1987/1967); 35
 - “transitional allowance” has the meaning given by paragraph 7(a).

SCHEDULE 5

Section 39

MINOR AND CONSEQUENTIAL AMENDMENTS RELATING TO PART 2

Social Security Contributions and Benefits Act 1992 (c. 4) 40

- 1 (1) The Contributions and Benefits Act is amended as follows.

- (2) In section 123(4) (income-related benefits), for the words before paragraph (a) substitute “Each billing authority and in Scotland each local authority”.
- (3) In section 130(2) (housing benefit: qualifying payments), for paragraph (a) substitute –
- “(a) payments to a billing authority or to a local authority in Scotland in respect of council tax;” 5
- (4) In section 137(1) (interpretation of Part 7), after the definition of “industrial injuries scheme” insert –
- ““local authority” in relation to Scotland means a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994;” 10

Social Security Administration Act 1992 (c. 5)

- 2 The Administration Act is amended as follows.
- 3 In section 134 (arrangements for housing benefit) –
- (a) in subsection (8)(a) before “war” in each place insert “prescribed”; 15
- (b) in that subsection omit “or surviving civil partner’s”;
- (c) after subsection (13) insert –
- “(14) In this section “war widow’s pension” includes any corresponding pension payable to a widower or surviving civil partner.” 20
- 4 In section 139 (arrangements for council tax benefit) –
- (a) in subsection (6)(a) before “war” in each place insert “prescribed”;
- (b) in subsection (11) omit the definition of “war disablement pension” and for the definition of “war widow’s pension” substitute –
- ““war widow’s pension” includes any corresponding pension payable to a widower or surviving civil partner.” 25
- 5 In section 139E (information about attainment of standards), in subsection (1) –
- (a) for “section 139D(3)” substitute “section 139D(3A) or (3B)”; 30
- (b) after paragraph (a) insert –
- “(aa) whether the authority has taken the action which it has been directed to take;”;
- (c) in paragraph (b) after “those standards” insert “or take that action”.
- 6 (1) Section 139F (enforcement notices) is amended as follows. 35
- (2) In subsection (1) –
- (a) for “section 139D(3)” substitute “section 139D(3A) or (3B)”; 40
- (b) after paragraph (a) insert –
- “(aa) is not satisfied that the authority has taken the action which it has been directed to take;”;
- (c) in paragraph (b) after “those standards” insert “or take that action”.
- (3) In subsection (2)(a), after “paragraph (a)” insert “, (aa)”.
- (4) In subsection (4), at the beginning insert “If the notice identifies directions under section 139D(3A),”.

- (5) After subsection (4) insert –
- “(4A) If the notice identifies directions under section 139D(3B), the authority’s response shall either –
- (a) state that the authority has taken the action, or is likely to take it within the time specified in the directions, and justify that statement; or 5
 - (b) state that the authority has not taken the action, or is not likely to take it within that time, and (if the authority wishes) give reasons why a determination under section 139G below should not be made or should not include any particular provision.” 10
- 7 (1) Section 139G (enforcement determinations) is amended as follows.
- (2) In subsection (1) –
- (a) in paragraph (a) after “the standards” insert “or taken the action”;
 - (b) in paragraph (b) after “those standards” insert “or take that action”. 15
- (3) In subsections (3) and (5)(c), after “the standards” insert “or the taking of the action”.
- 8 (1) In section 140A(2)(c) (subsidies to certain authorities), for “or levying authority” substitute “and to each local authority in Scotland”.
- (2) Sub-paragraph (1) must be taken to have had effect from 1 April 1997 (the date of the coming into force of section 140A of that Act). 20
- 9 In section 140B(5A) (calculation of amount of subsidy), for “section 139D(3)” substitute “section 139D(3A) or (3B)”.
- 10 In section 191 (interpretation), in the definition of “prescribe” at the end insert “and “prescribed” must be construed accordingly”. 25
- Local Government etc. (Scotland) Act 1994 (c. 39)*
- 11 In Schedule 13 to the Local Government etc. (Scotland) Act 1994 (minor and consequential amendments) –
- (a) paragraph 174(4) is omitted;
 - (b) paragraph 175(3) extends also to England and Wales and, accordingly, the amendments made by that sub-paragraph extend also to England and Wales. 30
- Housing Act 1996 (c. 52)*
- 12 In section 122(5) of the Housing Act 1996 for “regulations or order as are mentioned in subsection (3) or (4)” substitute “order as is mentioned in subsection (4)”. 35
- Child Support, Pensions and Social Security Act 2000 (c. 19)*
- 13 In Schedule 7 to the Child Support, Pensions and Social Security Act 2000 (housing benefit and council tax benefit: revisions and appeals), in paragraph 1(2), after paragraph (b) insert –
- “(c) a decision of a relevant authority under or by virtue of section 75 or 76 of the Administration Act that an amount of housing benefit or council tax benefit is recoverable;”. 40

Civil Partnership Act 2004 (c. 33)

- 14 In Schedule 24 to the Civil Partnership Act 2004 (amendments relating to social security, child support and tax credits), omit paragraph 65.

SCHEDULE 6

Section 57

SCHEDULE TO BE INSERTED IN THE PNEUMOCONIOSIS ETC. (WORKERS' COMPENSATION) ACT 1979 5

"THE SCHEDULE"

Section 2(3)

DEFINITION OF "RELEVANT EMPLOYER"

Basic definition 10

- 1 Subject to the following provisions, "relevant employer", in relation to a person disabled by a disease to which this Act applies, means any person—
- (a) by whom the disabled person was employed in a prescribed occupation at any time during the period during which he was developing the disease, and 15
 - (b) against whom he might have or might have had a claim for damages in respect of the disablement.

Disregarded employers

- 2 A person is not a relevant employer in relation to a person disabled by a disease to which this Act applies if the disabled person has had no period of employment with him which is a qualifying period of employment. 20
- 3 A person is not a relevant employer in relation to a person disabled by a disease to which this Act applies if the disabled person's qualifying period of employment with him did not exceed 12 months. 25
- 4 A person is not a relevant employer in relation to a person disabled by a disease to which this Act applies if the disabled person's qualifying period of employment with him— 30
- (a) did not exceed 5 years, and
 - (b) represents not more than 25% of the time during which the disabled person was employed in a prescribed occupation.
- 5 A person is not a relevant employer in relation to a person disabled by a disease to which this Act applies if the disabled person's qualifying period of employment with him— 35
- (a) did not exceed 7 years, and
 - (b) represents not more than 20% of the time during which the disabled person was employed in a prescribed occupation.

- 6 In paragraphs 3 to 5, references to the disabled person's qualifying period of employment with his employer, where there has been more than one such period, are to the aggregate of those periods.

“Qualifying period of employment”

- 7 (1) In this Schedule, “qualifying period of employment”, in relation to a person disabled by a disease to which this Act applies, means any period of employment in a prescribed occupation, except for – 5
- (a) a period of employment which ended more than 20 years before the qualifying date, and 10
 - (b) in the case of a claim relating to diffuse mesothelioma, a period of employment which began not more than 15 years before the qualifying date.
- (2) In sub-paragraph (1), “qualifying date” means – 15
- (a) the date on which the Secretary of State determines a claim for disablement benefit made by or on behalf of the disabled person in respect of the disease, or
 - (b) if the disabled person has died without a claim for disablement benefit in respect of the disease having been determined, the date on which he died. 20

“Prescribed occupation”

- 8 (1) In this Schedule, “prescribed occupation”, in relation to a person disabled by a disease to which this Act applies, means an occupation prescribed in relation to the disease by the Secretary of State by order made by statutory instrument. 25
- (2) A statutory instrument that –
- (a) contains an order under sub-paragraph (1), and
 - (b) is not subject to any requirement that a draft of the instrument be laid before, and approved by a resolution of, each House of Parliament, 30
- shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Power to amend Schedule

- 9 Regulations may modify this Schedule.”

SCHEDULE 7

Section 61

35

MINOR AND CONSEQUENTIAL AMENDMENTS RELATING TO PART 4

Vaccine Damage Payments Act 1979 (c. 17)

- 1 (1) The Vaccine Damage Payments Act 1979 is amended as follows.

- (2) In section 4(2) (power to make regulations about appeals), at the beginning insert “In relation to appeals under subsection (1) to an appeal tribunal constituted under Chapter 1 of Part 1 of the Social Security Act 1998,”.
- (3) In section 4(3) (provision which may be made under the preceding subsection), for “The regulations” substitute “Regulations under subsection (2)”. 5
- (4) In section 7A (correction of errors and setting aside of decisions) –
- (a) in subsection (1)(a) (decisions with respect to which regulations made by the Secretary of State may make provision), after “Act” insert “, other than a decision of an appeal tribunal constituted under Chapter 1 of Part 2 of the Social Security (Northern Ireland) Order 1998”; 10
- (b) in subsection (2) (nothing in subsection (1) to affect other powers), after “subsection (1)” insert “or (1A)”.
- (5) In section 8 (regulations), in subsection (1) (references in the Act to regulations are to regulations made by the Secretary of State), after “provisions of this Act” insert “, except sections 4(3A) and (3B) and 7A(1A),”. 15
- (6) In that section, in subsection (3) (provision which may be contained in regulations made by the Secretary of State) –
- (a) after paragraph (b) insert “and”; 20
- (b) paragraph (d) (power to confer functions on appeal tribunals) ceases to have effect.
- (7) In that section, at the end insert –
- “(4) Any power of the Department for Social Development in Northern Ireland to make regulations under this Act – 25
- (a) shall be exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 which shall be subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954; and
- (b) includes power to make such incidental or supplementary provision as appears to the Department to be appropriate.” 30
- (8) After section 9 insert –
- “9A Interpretation: “appeal tribunal”**
- In this Act, references to an appeal tribunal, without more, are to a tribunal constituted under – 35
- (a) Chapter 1 of Part 1 of the Social Security Act 1998; or
- (b) Chapter 1 of Part 2 of the Social Security (Northern Ireland) Order 1998.”
- (9) In section 12(3)(b) (duty of Secretary of State to pay travelling and other allowances to persons required to attend before tribunals under section 4) – 40
- (a) after “required” insert “under section 4”, and
- (b) for “under section 4 above” substitute “constituted under Chapter 1 of Part 1 of the Social Security Act 1998”.

Social Security Contributions and Benefits Act 1992 (c. 4)

- 2 (1) The Contributions and Benefits Act is amended as follows. 45

- (2) In section 73 (mobility component of disability living allowance), in subsection (9)(a), after “subsection (1)” insert “(a) to (d)”.
- (3) In section 140 (social fund payments: principles of determination), for subsection (3) substitute –
 - “(3) Without prejudice to the generality of subsection (2), the Secretary of State may issue directions under that subsection for the purpose of securing that allocations under section 168 of the Administration Act are not exceeded.”

5

Social Security Administration Act 1992 (c. 5)

- 3 (1) The Administration Act is amended as follows. 10
 - (2) In section 2AA(2) (benefits to which section applies), for paragraph (e) substitute –
 - “(e) carer’s allowance.”
 - (3) In section 168 (allocations from social fund), in subsection (5) (power to give directions with respect to the control and management of social fund allocations to particular officers or groups of officers), for “the amounts allocated to them” substitute “any amounts allocated to them”. 15
 - (4) In subsection (6) of that section (definition of “appropriate officer”), for “payments from the social fund such as are mentioned in section 138(1)(b) of the Contributions and Benefits Act” substitute “section 138(1)(b) payments”. 20

Social Security Act 1998 (c. 14)

- 4 In section 38(7) of the Social Security Act 1998 (principles applicable on review of social fund determination), at the end of paragraph (a)(i) insert “and”.

SCHEDULE 8

Section 65

REPEALS

<i>Short title and chapter</i>	<i>Extent of repeal</i>	
Vaccine Damage Payments Act 1979 (c. 17)	Section 3A(6). In section 8(3), paragraph (d), and the word “and” immediately preceding it.	5
Pneumoconiosis etc. (Workers’ Compensation) Act 1979 (c. 41)	Section 3(5).	
Income and Corporation Taxes Act 1988 (c. 1)	In section 347B(12)(b), the word “or” at the end of sub-paragraph (i).	10
Criminal Justice Act 1991 (c. 53)	In section 24(4), in the definition of “income support”, the words “incapacity benefit”.	
Social Security Contributions and Benefits Act 1992 (c. 4)	In section 6A(3), the word “and” at the end of paragraph (c). Section 20(1)(b). In section 20(2) –	15
	(a) in the definition of “long-term benefit”, paragraph (a);	
	(b) in the definition of “short-term benefit”, paragraph (b).	20
	In section 21(1) –	
	(a) the words from “short-term incapacity benefit” to “subsection (5) of that section,”;	25
	(b) the words “or short-term or long-term incapacity benefit under section 40 or 41 below”.	
	In section 21(2), in the table –	
	(a) the heading “Short-term benefit”;	30
	(b) the entry relating to short-term incapacity benefit;	
	(c) the heading “Other benefits”.	
	In section 21(4), the words “short-term benefit or”.	35
	In section 21(5A)(c), the words “2(4)(a) and (5)(a)”.	
	Sections 30A to 30E.	
	In section 37(2), the words from “one of the conditions” to “person and”.	40
	In section 39A(3), the words from “one of the conditions” to “person and”.	
	Sections 40 to 42.	
	In section 44(4), the words from “except that” to the end.	45
	Section 44A(2)(d) and (6). Section 47.	
	In section 61 –	
	(a) in subsection (1), the words “under section 47(1) above or”;	50
	(b) subsection (2).	

<i>Short title and chapter</i>	<i>Extent of repeal</i>
<p>Social Security Contributions and Benefits Act 1992 (c. 4) – <i>cont.</i></p>	<p>In section 61A(3), paragraph (d), and the word “and” immediately preceding it. Section 72(6). In section 73(5), the words “Subject to subsection (4) above,”. Section 84. Section 86A. Section 87. In section 89(1) and (1A), the words “, and in regulations under section 86A above,”. Section 93. In section 124(1), the word “and” at the end of paragraph (f). Section 130(4). In section 140(1A), the words following paragraph (b). Section 150(1)(b). Sections 171A to 171G. Section 171ZP(1) to (3). In section 176(1)(a), the words “section 30DD(5)(b) or (c); In Schedule 3, paragraphs 2 and 5(6). In Schedule 4 – (a) in Part 1, paragraphs 2 and 2A; (b) in Part 4, paragraphs 1A and 2. In Schedule 11, paragraph 2(d)(i). In Schedule 12, paragraphs 1, 3, 4, 5 and 6. In Schedule 13, paragraphs 1 and 2.</p>
<p>Social Security Administration Act 1992 (c. 5)</p>	<p>Section 2A(2)(e) and (f). In section 2AA(2), paragraph (c) and the word “and” at the end of paragraph (d). Section 5(3). Section 71(5). In section 71ZA(2) – (a) in paragraph (a), the words “paragraph (a) of subsection (5) and”; (b) paragraph (b). In section 73(4), the word “or” at the end of paragraph (a). Section 130(1)(a) and (c). Section 132(1)(b) and (c). In section 134(8)(a), the words “or surviving civil partner’s”. In section 150, subsection (1)(aa) and, in subsection (3)(b), “(aa)”. In section 168(3)(d), the words from “to the same officer” to the end.</p>
<p>Social Security Administration (Northern Ireland) Act 1992 (c. 8)</p>	<p>Section 69(5).</p>
<p>Disability (Grants) Act 1993 (c. 14)</p>	<p>In section 1 – (a) in subsection (1), paragraphs (a) and (b) and the word “and” immediately preceding paragraph (c); (b) in subsection (4)(a), the words from “the reference in subsection (1)(a)” to first “and”.</p>

<i>Short title and chapter</i>	<i>Extent of repeal</i>
Civil Partnership Act 2004 (c. 33)	In Schedule 24, paragraphs 14, 15 and 65.

1 The repeal of section 69(5) of the Social Security Administration (Northern Ireland) Act 1992 (c. 8) has effect only in relation to child benefit and guardian's allowance.

Welfare Reform Bill

A

B I L L

[AS AMENDED IN PUBLIC BILL COMMITTEE]

To make provision about social security; to amend the Vaccine Damage Payments Act 1979; and for connected purposes.

*Presented by Mr Secretary Hutton
supported by
The Prime Minister,
Mr Secretary Prescott,
Mr Chancellor of the Exchequer,
Mr Secretary Alexander, Ms Secretary Hewitt,
Mr Secretary Hain, Mr Secretary Darling,
Mr Jack Straw, Ms Harriet Harman,
Mr Jim Murphy and Mrs Anne McGuire.*

*Ordered, by The House of Commons,
to be Printed, 30th November 2006.*

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