Draft Regulations laid before Parliament under section 19(2A) of the State Pension Credit Act 2002, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2010 No. 0000

SOCIAL SECURITY

The State Pension Credit Pilot Scheme Regulations 2010

Made - - - - 2010

Coming into force in accordance with regulation 2(2)

The Secretary of State makes the following Regulations in exercise of the powers conferred by:

(a) section 175(3) and (5) of the Social Security Contributions and Benefits Act 1992(**1**);

(b) sections 1(1) and 5(1)(i), (k) and (l) of the Social Security Administration Act 1992(**2**); and

(c) sections 1(5)(a), 2(3) and (4), 3(4), (6) and (7), 15(1)(j), (2) and (3), 17(1) and (2), 18A(1), (2) and (5) to (8) and 19(1) of the State Pension Credit Act 2002(**3**).

The Secretary of State has referred these Regulations to the Social Security Advisory Committee in accordance with section 172(1) of the Social Security Administration Act 1992(**4**).

In accordance with section 18A(11) of the State Pension Credit Act 2002, this instrument has been made with the consent of the Treasury.

In accordance with section 19(2A) of the State Pension Credit Act 2002, a draft of this instrument was laid before and approved by a resolution of each House of Parliament.

(**1**) 1992 c. 4. Section 175(3) and (5) are applied to the power to make regulations under the State Pension Credit Act 2002 (c. 16) by section 19(1) of that Act.

(**2**) 1992 c. 5. State pension credit is a benefit to which section 1(1) applies by virtue of section 1(4)(ab) of the Social Security Administration Act 1992 (c. 5), inserted by paragraph 1 and 2 of Schedule 1 to the State Pension Credit Act 2002 (c. 16). The relevant amendment to section 5 is by paragraph 1 and 3(1) and (2) of Schedule 1 to the State Pension Credit Act 2002 (c. 16).

(**3**) 2002 c. 16. Section 17(1) is cited due to the meaning of "prescribed" and "regulations". Section 18A and section 19(2A) were inserted by section 27 of the Welfare Reform Act 2009 (c. 24).

(**4**) 1992 c. 5.

PART 1

General

Citation, commencement and duration

1.—(1) These Regulations may be cited as the State Pension Credit Pilot Scheme Regulations 2010.

(2) These Regulations shall come into force on the day after the day on which they are made.

(3) These Regulations shall cease to have effect after they have been in force for 12 months.

Interpretation

2. In these Regulations—

"the 1992 Act" means the Social Security Contributions and Benefits Act 1992;

"the 2002 Act" means the State Pension Credit Act 2002, as modified by regulation 3 and the Schedule;

"benefit" means state pension credit payable in accordance with these Regulations;

"partner" means the other member of a couple, and "partners" shall be construed accordingly; and

"retirement pension" means a Category A or Category B retirement pension payable under sections 43 to 55 of the 1992 Act.

Application of social security enactments

3. The provisions of the State Pension Credit Act 2002 apply to an award of benefit subject to the modifications specified in the Schedule.

4. Regulations made under section 1 or 5 of the Social Security Administration Act 1992 apply to an award of benefit only to the extent provided by regulations 11 to 14.

5. Regulations made under the State Pension Credit Act 2002 apply to an award of benefit only to the extent provided by regulations 10 and 15 to 28.

PART 2

Selection

Selection of beneficiaries for the purposes of the 2002 Act

6.—(1) Beneficiaries eligible to receive benefit under these Regulations are the persons selected by the Secretary of State who satisfy the conditions in regulation 7, other than those who are excluded by regulation 8.

(2) The Secretary of State shall select such persons on the basis set out in regulation 9.

7. The conditions are—

(a) the person must have claimed and be in receipt of a retirement pension; and

(b) that retirement pension must be paid by way of direct credit transfer to that person's bank or other account.

8.—(1) A person is excluded if, at the time of selection, that person—

(a) is a resident in a care home;

(b) is an in-patient at a hospital;

(c) is a member of a religious order; or

(d) has indicated to the Secretary of State, expressly or otherwise, a preference not to receive communication in respect of matters connected with social security.

(2) For the purposes of paragraph (1)—

"care home"—

(a) in relation to England and Wales, has the same meaning as that given by section 3 (care homes) of the Care Standards Act 2000(**5**); and

(b) in relation to Scotland, means accommodation provided by a care home service within the meaning of section 2(3) of the Regulation of Care (Scotland) Act 2001(**6**);

"hospital" has the same meaning as in section 275 (interpretation) of the National Health Service Act 2006(**7**).

9.—(1) The Secretary of State shall select persons on a random basis from those whom the Secretary of State estimates, taking into account the information specified in paragraph (2), would be entitled to state pension credit under section 1 of the State Pension Credit Act 2002 if such persons were to make a claim for that benefit under section 1 of the Social Security Administration Act 1992(**8**).

(2) The information referred to in paragraph (1) is information—

(a) held by the Secretary of State in relation to social security; and

(b) supplied to the Secretary of State for the purposes of functions relating to social security.

(3) The Secretary of State shall not select more than 2000 persons.

Persons in Great Britain

10. For the purposes of section 1(2)(a) of the 2002 Act, a person is to be treated as being in Great Britain if information held by the Secretary of State in respect of that person's retirement pension shows that that person has a residential address in Great Britain.

PART 3

Entitlement and payment of benefit

Entitlement to benefit

11.—(1) A beneficiary selected by the Secretary of State under regulation 6 is a prescribed case for the purposes of section 1(1) of the Social Security Administration Act 1992 (such that a beneficiary is entitled to benefit notwithstanding the conditions in section 1(1)(a) and (b) of that Act not being satisfied).

(**5**) 2000 c. 14.
(**6**) 2001 asp. 8.
(**7**) 2006 c. 41.
(**8**) 1992 c. 5. State pension credit is a benefit to which section 1 applies by virtue of section 1(4)(ab), inserted by paragraphs 1 and 2 of Schedule 1 to the State Pension Credit Act 2002 (c. 16).

(2) A beneficiary is entitled to benefit from the day on which the Secretary of State notifies that beneficiary of such entitlement.

(3) Entitlement to benefit shall cease twelve weeks from the date of notification.

Payment of benefit

12.—(1) Following notification in accordance with regulation 11, benefit is payable every four weeks in arrears.

(2) Benefit shall be paid by direct credit transfer to the same account to which the beneficiary's retirement pension is paid.

13.—(1) The weekly amount of benefit to be paid shall be rounded as follows.

(2) Amounts of less than one pound shall be rounded to one pound.

(3) Amounts greater than one pound shall be rounded to the nearest pound, taking fifty pence as nearest to the next whole pound.

14.—(1) No account is to be taken of a payment of benefit in considering a person's—

(a) liability to tax;

(b) entitlement to another benefit under any enactment relating to social security (irrespective of the name or nature of that other benefit, and including entitlement to state pension credit payable other than by virtue of these Regulations); or

(c) entitlement to a tax credit.

(2) Paragraph (1) applies only in respect of the tax year in which a payment of benefit is received.

PART 4

Amount of benefit

Amount of the standard minimum guarantee

15. The prescribed amount of the standard minimum guarantee for the purposes of section 2(4) of the 2002 Act is—

(a) £132.60 per week for a beneficiary who does not have a partner;

(b) £202.40 per week for a beneficiary who has a partner.

Amounts additional to the standard minimum guarantee: severe disability

16.—(1) For the purposes of section 2(3)(b) and (7) of the 2002 Act, an additional amount prescribed in paragraph (2) is applicable if the beneficiary is treated as being a severely disabled person in accordance with regulation 17.

(2) The prescribed additional amount is—

(a) except where subparagraph (b) applies, £53.65 per week; or

(b) £107.30 per week if regulation 17(1)(b) is satisfied and no one is entitled to and in receipt of an allowance under section 70 (carer's allowance) of the 1992 Act in respect of caring for either partner.

17.—(1) For the purposes of regulation 16(1), the beneficiary is to be treated as being severely disabled if—

(a) where a beneficiary does not have a partner—

(i) the beneficiary is in receipt of attendance allowance or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the 1992 Act; and

(ii) no person is entitled to and in receipt of an allowance under section 70 (carer's allowance) of the 1992 Act in respect of caring for the beneficiary;

(b) where a beneficiary has a partner—

(i) both partners are in receipt of attendance allowance or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the 1992 Act; and

(ii) either a person is entitled to and in receipt of an allowance under section 70 of the 1992 Act in respect of caring for one only of the partners or no person is entitled to and in receipt of such an allowance in respect of caring for either partner.

(2) In this regulation, "attendance allowance" means an attendance allowance under section 64 (entitlement to attendance allowance) of the 1992 Act.

Amounts additional to the standard minimum guarantee: carer's allowance

18.—(1) For the purposes of section 2(3)(b) and (8) of the 2002 Act, an additional amount prescribed in paragraph (2) is applicable if regulation 19 is satisfied.

(2) The prescribed additional amount is £30.05 per week, and in the case of partners, this amount is applicable in respect of each partner who satisfies that regulation.

19. For the purposes of regulation 18(1), this regulation is satisfied if a beneficiary is, or in the case of partners either partner is, or both partners are, entitled to an allowance under section 70 (carer's allowance) of the 1992 Act.

Prescribed percentages and amounts in respect of savings credit

20.—(1) The percentage prescribed for the purposes of determining—

(a) "amount A" in section 3(4) of the 2002 Act is 60 per cent.;

(b) "amount B" in section 3(4) of the 2002 Act is 40 per cent.;

(c) the maximum savings credit in section 3(7) of the 2002 Act is 60 per cent.

(2) The amount prescribed for the savings credit threshold for the purposes of section 3 of the 2002 Act is—

(a) £98.40 for a beneficiary who does not have a partner; and

(b) £157.25 for a beneficiary who has a partner.

21. If a calculation made for the purposes of regulation 20(1)(a) or (b) results in a fraction of a penny, that fraction—

(a) if it would be to the beneficiary's advantage, shall be treated as a penny;

(b) if it would not be to the beneficiary's advantage, shall be disregarded.