

Welfare Reform Act 2012

(2012 Chapter 5)

An Act to make provision for universal credit and personal independence payment; to make other provision about social security and tax credits; to make provision about the functions of the registration service, child support maintenance and the use of jobcentres; to establish the Social Mobility and Child Poverty Commission and otherwise amend the Child Poverty Act 2010; and for connected purposes.

)[8th March 2012]

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:—

[ARRB]

Part 3 Other Benefit Changes

Working tax credit

76 Calculation of working tax credit

Part 5 Social Security: General

Recovery of benefits

107 Recovery of child benefit and guardian's allowance

Loss of benefit

120 Loss of tax credits

121 Cautions

Administration of tax credits

122 Tax credit fraud: investigation

123 Information-sharing for prevention etc of tax credit fraud

124 Tax credit fraud: prosecution and penalties

125 Unauthorised disclosure of information relating to tax credit offences

126 Tax credits: transfer of functions etc

Information-sharing: Secretary of State and HMRC

127 Information-sharing between Secretary of State and HMRC

Part 7 Final

147 Repeals

148 Financial provision

149 Extent

150 Commencement

151 Short title

Schedules

Schedule 14—Repeals

Part 3 Other Benefit Changes

Working tax credit

76 Calculation of working tax credit

(1) Step 5 in regulation 7(3) of the 2002 Regulations has effect in relation to awards of working tax credit for the whole or part of the relevant year as if from the beginning of the day on 6 April 2011 the percentage to be applied under step 5 in finding the amount of the reduction were 41% (instead of 39%).

(2) Anything done by the Commissioners before the coming into force of this section in relation to awards of working tax credit for the whole or part of the relevant year is to be treated as having been duly done, if it would have been duly done but for being done on the basis that from the beginning of the day on 6 April 2011 the percentage to be applied under step 5 was 41%.

(3) In this section—

“the 2002 Regulations” means the Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002 (SI 2002/2008);

“the Commissioners” means the Commissioners for Her Majesty’s Revenue and Customs;

“the relevant year” means the year beginning with 6 April 2011.

Part 5 Social Security: General

Recovery of benefits

107 Recovery of child benefit and guardian’s allowance

(1) In section 71(8) of the Social Security Administration Act 1992 (recovery of benefits by deduction from prescribed benefits), the words “, other than an amount paid in respect of child benefit or guardian’s allowance,” are repealed.

(2) In section 69(8) of the Social Security Administration (Northern Ireland) Act 1992 (recovery of benefits by deduction from prescribed benefits), the words “, other than an amount paid in respect of child benefit or guardian’s allowance,” are repealed.

(3) In the Tax Credits Act 2002, in Schedule 4, paragraphs 2 and 8 are repealed.

Loss of benefit

120 Loss of tax credits

- (1) The Tax Credits Act 2002 is amended as follows.
- (2) After section 36 there is inserted—

ISOB

“Loss of tax credit provisions

36A Loss of working tax credit in case of conviction etc for benefit offence

- (1) Subsection (4) applies where a person (“the offender”)—
 - (a) is convicted of one or more benefit offences in any proceedings, or
 - (b) after being given a notice under subsection (2) of the appropriate penalty provision by an appropriate authority, agrees in the manner specified by the appropriate authority to pay a penalty under the appropriate penalty provision to the appropriate authority, in a case where the offence to which the notice relates is a benefit offence, or
 - (c) is cautioned in respect of one or more benefit offences.
- (2) In subsection (1)(b)—
 - (a) “the appropriate penalty provision” means section 115A of the Social Security Administration Act 1992 (penalty as alternative to prosecution) or section 109A of the Social Security Administration (Northern Ireland) Act 1992 (the corresponding provision for Northern Ireland);
 - (b) “appropriate authority” means—
 - (i) in relation to section 115A of the Social Security Administration Act 1992, the Secretary of State or an authority which administers housing benefit or council tax benefit, and
 - (ii) in relation to section 109A of the Social Security Administration (Northern Ireland) Act 1992, the Department (within the meaning of that Act) or the Northern Ireland Housing Executive.
- (3) Subsection (4) does not apply by virtue of subsection (1)(a) if, because the proceedings in which the offender was convicted constitute the current set of proceedings for the purposes of section 36C, the restriction in subsection (3) of that section applies in the offender’s case.
- (4) If this subsection applies and the offender is a person who would, apart from this section, be entitled (whether pursuant to a single or joint claim) to working tax credit at any time within the disqualification period, then, despite that entitlement, working tax credit shall not be payable for any period comprised in the disqualification period—
 - (a) in the case of a single claim, to the offender, or
 - (b) in the case of a joint claim, to the offender or the other member of the couple.
- (5) Regulations may provide in relation to cases to which subsection (4)(b) would otherwise apply that working tax credit shall be payable, for any period comprised in the disqualification period, as if the amount payable were reduced in such manner as may be prescribed.

(6) For the purposes of this section, the disqualification period, in relation to any disqualifying event, means the relevant period beginning with such date, falling after the date of the disqualifying event, as may be determined by or in accordance with regulations.

(7) For the purposes of subsection (6) the relevant period is—

- (a) in a case falling within subsection (1)(a) where the benefit offence, or one of them, is a relevant offence, the period of three years,
- (b) in a case falling within subsection (1)(a) (but not within paragraph (a) above)), the period of 13 weeks, or
- (c) in a case falling within subsection (1)(b) or (c), the period of 4 weeks.

(8) The Treasury may by order amend subsection (7)(a), (b) or (c) to substitute a different period for that for the time being specified there.

(9) This section has effect subject to section 36B.

(10) In this section and section 36B—

“benefit offence“ means any of the following offences committed on or after the day specified by order made by the Treasury—

- (a) an offence in connection with a claim for a disqualifying benefit;
- (b) an offence in connection with the receipt or payment of any amount by way of such a benefit;
- (c) an offence committed for the purpose of facilitating the commission (whether or not by the same person) of a benefit offence;
- (d) an offence consisting in an attempt or conspiracy to commit a benefit offence;

“disqualifying benefit“ has the meaning given in section 6A(1) of the Social Security Fraud Act 2001;

“disqualifying event“ means—

- (a) the conviction falling within subsection (1)(a);
- (b) the agreement falling within subsection (1)(b);
- (c) the caution falling within subsection (1)(c);

“relevant offence“ has the meaning given in section 6B of the Social Security Fraud Act 2001.

36B Section 36A: supplementary

(1) Where—

- (a) the conviction of any person of any offence is taken in account for the purposes of the application of section 36A in relation to that person, and
- (b) that conviction is subsequently quashed,

all such payments and other adjustments shall be made as would be necessary if no restriction had been imposed by or under section 36A that could not have been imposed if the conviction had not taken place.

(2) Where, after the agreement of any person (“P”) to pay a penalty under the appropriate penalty provision is taken into account for the purposes of the application of section 36A in relation to that person—

- (a) P’s agreement to pay the penalty is withdrawn under subsection (5) of the appropriate penalty provision, or
- (b) it is decided on an appeal or in accordance with regulations under the Social Security Act 1992 or the Social Security (Northern Ireland) Order 1998 (SI 1998/1506 (N.I. 10)) that the overpayment to which the agreement relates is not recoverable or due,

all such payments and other adjustments shall be made as would be necessary if no restriction had been imposed by or under section 36A that could not have been imposed if P had not agreed to pay the penalty.

(3) Where, after the agreement (“the old agreement”) of any person (“P”) to pay a penalty under the appropriate penalty provision is taken into account for the purposes of the application of section 36A in relation to P, the amount of any overpayment made to which the penalty relates is revised on an appeal or in accordance with regulations under the Social Security Act 1998 or the Social Security (Northern Ireland) Order 1998—

- (a) section 36A shall cease to apply by virtue of the old agreement, and
- (b) subsection (4) shall apply.

(4) Where this subsection applies—

- (a) if there is a new disqualifying event consisting of—
 - (i) P’s agreement to pay a penalty under the appropriate penalty regime in relation to the revised overpayment, or
 - (ii) P being cautioned in relation to the offence to which the old agreement relates,

the disqualification period relating to the new disqualifying event shall be reduced by the number of days in so much of the disqualification period relating to the old agreement as had expired when subsection 36A ceased to apply by virtue of the old agreement, and

- (b) in any other case, all such payments and other adjustments shall be made as would be necessary if no restriction had been imposed by or under section 36A that could not have been imposed if P had not agreed to pay the penalty.

(5) For the purposes of section 36A—

- (a) the date of a person’s conviction in any proceedings of a benefit offence shall be taken to be the date on which the person was found guilty of that offence in those proceedings (whenever the person was sentenced) or in the case mentioned in paragraph (b)(ii) the date of the order for absolute discharge, and
- (b) references to a conviction include references to—

- (i) a conviction in relation to which the court makes an order for absolute or conditional discharge,
- (ii) an order for absolute discharge made by a court of summary jurisdiction in Scotland under section 246(3) of the Criminal Procedure (Scotland) Act 1995 without proceeding to a conviction, and
- (iii) a conviction in Northern Ireland.

(6) In this section “the appropriate penalty provision” has the meaning given by section 36A(2)(a).

36C Loss of working tax credit for repeated benefit fraud

(1) If—

- (a) a person (“the offender”) is convicted of one or more benefit offences in a set of proceedings (“the current set of proceedings”),
- (b) within the period of five years ending on the date on which the benefit offence was, or any of them were, committed, one or more disqualifying events occurred in relation to the offender (the event, or the most recent of them, being referred to in this section as “the earlier disqualifying event”),
- (c) the current set of proceedings has not been taken into account for the purposes of any previous application of this section in relation to the offender,
- (d) the earlier disqualifying event has not been taken into account as an earlier disqualifying event for the purposes of any previous application of this section in relation to the offender, and
- (e) the offender is a person who would, apart from this section, be entitled (whether pursuant to a single or joint claim) to working tax credit at any time within the disqualification period,

then, despite that entitlement, the restriction in subsection (3) shall apply in relation to the payment of that benefit in the offender’s case.

(2) The restriction in subsection (3) does not apply if the benefit offence referred to in subsection (1)(a), or any of them, is a relevant offence.

(3) Working tax credit shall not be payable for any period comprised in the disqualification period—

- (a) in the case of a single claim, to the offender, or
- (b) in the case of a joint claim, to the offender or the other member of the couple.

(4) Regulations may provide in relation to cases to which subsection (3)(b) would otherwise apply that working tax credit shall be payable, for any period comprised in the disqualification period, as if the amount payable were reduced in such manner as may be prescribed.

(5) For the purposes of this section the disqualification period, in an offender’s case, means the relevant period beginning with a prescribed date falling after the date of the conviction in the current set of proceedings.

(6) For the purposes of subsection (5) the relevant period is—

- (a) in a case where, within the period of five years ending on the date on which the earlier disqualifying event occurred, a previous disqualifying event occurred in relation to the offender, the period of three years;
 - (b) in any other case, 26 weeks.
- (7) In this section and section 36D—
- “appropriate penalty provision” has the meaning given in section 36A(2)(a);
- “benefit offence” means any of the following offences committed on or after the day specified by order made by the Treasury—
- (a) an offence in connection with a claim for a disqualifying benefit;
 - (b) an offence in connection with the receipt or payment of any amount by way of such a benefit;
 - (c) an offence committed for the purpose of facilitating the commission (whether or not by the same person) of a benefit offence;
 - (d) an offence consisting in an attempt or conspiracy to commit a benefit offence;
- “disqualifying benefit” has the meaning given in section 6A(1) of the Social Security Fraud Act 2001;
- “disqualifying event” has the meaning given in section 36A(10);
- “relevant offence” has the meaning given in section 6B of the Social Security Fraud Act 2001.
- (8) Where a person is convicted of more than one benefit offence in the same set of proceedings, there is to be only one disqualifying event in respect of that set of proceedings for the purposes of this section and—
- (a) subsection (1)(b) is satisfied if any of the convictions take place in the five year period there;
 - (b) the event is taken into account for the purposes of subsection (1)(d) if any of the convictions have been taken into account as mentioned there;
 - (c) in the case of the earlier disqualifying event mentioned in subsection (6)(a), the reference there to the date on which the earlier disqualifying event occurred is a reference to the date on which any of the convictions take place;
 - (d) in the case of the previous disqualifying event mentioned in subsection (6)(a), that provision is satisfied if any of the convictions take place in the five year period mentioned there.
- (9) The Treasury may by order amend subsection (6) to substitute different periods for those for the time being specified there.
- (10) An order under subsection (9) may provide for different periods to apply according to the type of earlier disqualifying event or events occurring in any case.
- (11) This section has effect subject to section 36D.

36D Section 36C: supplementary

(1) Where—

- (a) the conviction of any person of any offence is taken into account for the purposes of the application of section 36C in relation to that person, and
- (b) that conviction is subsequently quashed,

all such payments and other adjustments shall be made as would be necessary if no restriction had been imposed by or under section 36C that could not have been imposed if the conviction had not taken place.

(2) Subsection (3) applies where, after the agreement of any person (“P”) to pay a penalty under the appropriate penalty provision is taken into account for the purposes of the application of section 36C in relation to that person—

- (a) P’s agreement to pay the penalty is withdrawn under subsection (5) of the appropriate penalty provision,
- (b) it is decided on an appeal or in accordance with regulations under the Social Security Act 1998 or the Social Security (Northern Ireland) Order 1998 (SI 1998/1506 (N.I. 10)) that any overpayment made to which the agreement relates is not recoverable or due, or
- (c) the amount of any over payment to which the penalty relates is revised on an appeal or in accordance with regulations under the Social Security Act 1998 or the Social Security (Northern Ireland) Order 1998 and there is no new agreement by P to pay a penalty under the appropriate penalty provision in relation to the revised overpayment.

(3) In those circumstances, all such payments and other adjustments shall be made as would be necessary if no restriction had been imposed by or under section 36C that could not have been imposed if P had not agreed to pay the penalty.

(4) For the purposes of section 36C—

- (a) the date of a person’s conviction in any proceedings of a benefit offence shall be taken to be the date on which the person was found guilty of that offence in those proceedings (whenever the person was sentenced) or in the case mentioned in paragraph (b)(ii) the date of the order for absolute discharge, and
- (b) references to a conviction include references to—
 - (i) a conviction in relation to which the court makes an order for absolute or conditional discharge,
 - (ii) an order for absolute discharge made by a court of summary jurisdiction in Scotland under section 246(3) of the Criminal Procedure (Scotland) Act 1995 without proceeding to a conviction, and
 - (iii) a conviction in Northern Ireland.

(5) In section 36C references to any previous application of that section—

- (a) include references to any previous application of a provision having an effect in Northern Ireland corresponding to provision made by that section, but
- (b) do not include references to any previous application of that section the effect of which was to impose a restriction for a period comprised in the same disqualification period.”

[ISOE]

- (3) In section 38 (appeals), in subsection (1)—
- (a) the “and” immediately following paragraph (c) is repealed;
 - (b) after that paragraph there is inserted—

[ISOB]

“(ca) a decision under section 36A or 36C that working tax credit is not payable (or is not payable for a particular period), and”.

[ISOE]

- (4) In section 66 (parliamentary etc control of instruments)—
- (a) in subsection (1)—
 - (i) after “no” there is inserted “order or”;
 - (ii) for “them” there is substituted “the order or regulations”;
 - (b) in subsection (2) before paragraph (a) there is inserted—

[ISOB]

“(za) an order made by the Treasury under section 36A(8) or 36C(9),
(zb) regulations made under section 36A(5) or 36C(4),”;

[ISOE]

- (c) in subsection (3)(a) at the beginning there is inserted “an order or”.
- (5) In section 67 (interpretation), at the appropriate place there is inserted—

[ISOB]

““cautioned”, in relation to any person and any offence, means cautioned after the person concerned has admitted the offence; and “caution” is to be interpreted accordingly;”.

[ISOE]

#CommentB

Commencement—

Welfare Reform Act 2012 (Commencement No 7) Order, SI 2013/178 (section 120 comes into force on 6 April 2013, subject to the following: sub-s (2), and sub-s (1) in so far as it relates to sub-s (2), come into force on 1 February 2013 only for the purpose of making regulations and orders; sub-s (4), and sub-s (1) in so far as it relates to sub-s (4), come into force on 1 February 2013).

Prospective amendments—

Sub-s (5) to be repealed by s 147, Sch 14 Pt 12 of this Act, with effect from a date to be appointed.

#CommentE

121 Cautions

(1) In section 6B of the Social Security Fraud Act 2001 (loss of benefit in case of conviction, penalty or caution for benefit offence)—

- (a) in the heading, for “penalty or caution” there is substituted “or penalty”;
- (b) in subsection (1), after paragraph (a) there is inserted “or”;
- (c) subsection (1)(c) (cautions) is repealed;
- (d) in subsection (13), in the definition of “disqualifying event”, after “(1)(a)” there is inserted “or”.

(2) In section 36A of the Tax Credits Act 2002 (loss of tax working tax credit in case of conviction, penalty or caution for benefit offence) subsection (1)(c) (cautions) is repealed.

Administration of tax credits

122 Tax credit fraud: investigation

In section 109A of the Social Security Administration Act 1992 (authorisations for investigators), at the end there is inserted—

[ISOB

“(9) This section and sections 109B to 109C below apply as if—

- (a) the Tax Credits Act 2002 were relevant social security legislation, and
- (b) accordingly, child tax credit and working tax credit were relevant social security benefits for the purposes of the definition of “benefit offence”.

[ISOE

#CommentB

Commencement—

Welfare Reform Act 2012 (Commencement No 2) Order, SI 2012/1246 (6 June 2012 is the day appointed for the coming into force of ss 122, 123 and 125).

#CommentE

123 Information-sharing for prevention etc of tax credit fraud

(1) Section 122B of the Social Security Administration Act 1992 (supply of government information for fraud prevention etc) is amended as follows.

(2) In subsection (2)(a), after “social security” there is inserted “or tax credits”.

- (3) In subsection (3)—
- (a) in paragraph (b), after “1995” there is inserted “, the Tax Credits Act 2002”,
 - (b) in that paragraph, the final “or” is repealed, and
 - (c) after paragraph (c) there is inserted

[ISOB]

“or

- (d) it is supplied under section 127 of the Welfare Reform Act 2012.”

[ISOE]

#CommentB

Commencement—

Welfare Reform Act 2012 (Commencement No 2) Order, SI 2012/1246 (6 June 2012 is the day appointed for the coming into force of ss 122, 123 and 125).

#CommentE

124 Tax credit fraud: prosecution and penalties

In section 35 of the Tax Credits Act 2002 (offence of fraud), for subsection (2) there is substituted—

[ISOB]

“(2) Where a person is alleged to have committed an offence under this section in relation to payments of a tax credit not exceeding £20,000, the offence is triable summarily only.

(3) A person who commits an offence under this section is liable on summary conviction pursuant to subsection (2) to imprisonment for a term not exceeding the applicable term, or a fine not exceeding level 5 on the standard scale, or both.

(4) In subsection (3) the applicable term is—

- (a) for conviction in England and Wales, 51 weeks;
- (b) for conviction in Scotland or Northern Ireland, 6 months.

(5) Where a person is alleged to have committed an offence under this section in any other case, the offence is triable either on indictment or summarily.

(6) A person who commits an offence under this section is liable—

- (a) on summary conviction pursuant to subsection (5), to imprisonment for a term not exceeding the applicable term, or a fine not exceeding the statutory maximum, or both;
- (b) on conviction on indictment pursuant to subsection (5) to imprisonment for a term not exceeding 7 years, or a fine, or both.

(7) In subsection (6)(a) the applicable term is—

- (a) for conviction in England and Wales or Scotland, 12 months;
- (b) for conviction in Northern Ireland, 6 months.

(8) In relation to an offence under this section committed in England and Wales before the commencement of section 281(5) of the Criminal Justice Act 2003, the reference in subsection (4)(a) to 51 weeks is to be read as a reference to 6 months.

(9) In relation to an offence under this section committed in England and Wales before the commencement of section 154(1) of the Criminal Justice Act 2003, the reference in subsection (7)(a) to 12 months is to be read as a reference to 6 months.

(10) In England and Wales—

- (a) subsection (1) of section 116 of the Social Security Administration Act 1992 (legal proceedings) applies in relation to proceedings for an offence under this section;
- (b) subsections (2)(a) and (3)(a) of that section apply in relation to proceedings for an offence under this section which is triable summarily only pursuant to subsection (2) above.

(11) In Scotland, subsection (7)(a) and (b) of section 116 of the Social Security Administration Act 1992 (legal proceedings) apply in relation to proceedings for an offence under this section which is triable summarily only pursuant to subsection (2) above.

(12) In Northern Ireland—

- (a) subsection (1) of section 110 of the Social Security Administration (Northern Ireland) Act 1992 (legal proceedings) applies in relation to proceedings for an offence under this section;
- (b) subsections (2)(a) and (3)(a) of that section apply in relation to proceedings for an offence under this section which is triable summarily only pursuant to subsection (2) above.”

[ISOE]

125 Unauthorised disclosure of information relating to tax credit offences

In Schedule 4 to the Social Security Administration Act 1992 (persons employed in social security administration or adjudication), in paragraph 1 of Part 2, after “security,” there is inserted “to the investigation or prosecution of offences relating to tax credits.”

#CommentB

Commencement—

Welfare Reform Act 2012 (Commencement No 2) Order, SI 2012/1246 (6 June 2012 is the day appointed for the coming into force of ss 122, 123 and 125).

#CommentE

126 Tax credits: transfer of functions etc

(1) Her Majesty may by Order in Council—

- (a) transfer to the Secretary of State any tax credit function of the Treasury or the Commissioners;
 - (b) direct that any tax credit function of the Treasury or the Commissioners is to be exercisable concurrently with the Secretary of State or is to cease to be so exercisable.
- (2) Provision within subsection (1) may be limited so as to apply only in relation to cases within a specified description.
- (3) Her Majesty may by Order in Council, as Her Majesty considers appropriate—
- (a) make provision in connection with a transfer or direction under subsection (1);
 - (b) make other provision within one or more of the following sub-paragraphs—
 - (i) provision applying (with or without modifications) in relation to tax credits any provision of primary or secondary legislation relating to social security;
 - (ii) provision combining or linking any aspect of the payment and management of tax credits with any aspect of the administration of social security;
 - (iii) provision about the use or supply of information held for purposes connected with tax credits, including (in particular) provision authorising or requiring its use or supply for other purposes;
 - (iv) in relation to information held for purposes not connected with tax credits, provision authorising or requiring its use or supply for purposes connected with tax credits.
- (4) An Order may make provision under subsection (3)(b) only if—
- (a) the Order also makes provision under subsection (1), or
 - (b) a previous Order has made provision under subsection (1).
- (5) Provision within subsection (3)—
- (a) may confer functions on, or remove functions from, the Secretary of State, the Treasury, the Commissioners, a Northern Ireland department or any other person;
 - (b) may (in particular) authorise the Secretary of State and the Commissioners to enter into arrangements from time to time under which the Commissioners are to provide services to the Secretary of State in connection with tax credits.
- (6) Provision within subsection (3)—
- (a) may expand the scope of the conduct which constitutes an offence under any primary or secondary legislation, but may not increase the scope of any punishment for which a person may be liable on conviction for the offence;
 - (b) may expand the scope of the conduct in respect of which a civil penalty may be imposed under any primary or secondary legislation, but may not increase the maximum amount of the penalty.
- (7) An Order under this section may include such consequential, supplementary, incidental or transitional provision as Her Majesty considers appropriate including (for example)—

- (a) provision for transferring or apportioning property, rights or liabilities (whether or not they would otherwise be capable of being transferred or apportioned);
 - (b) provision for substituting any person for any other person in any instrument or other document or in any legal proceedings;
 - (c) provision with respect to the application in relation to the Crown of provision made by the Order.
- (8) A certificate issued by the Secretary of State that any property, rights or liabilities set out in the certificate have been transferred or apportioned by an Order under this section as set out in the certificate is conclusive evidence of the matters so set out.
- (9) An Order under this section may amend, repeal or revoke any primary or secondary legislation.
- (10) A statutory instrument containing an Order under this section is subject to annulment in pursuance of a resolution of either House of Parliament.
- (11) In this section references to tax credits are to child tax credit or working tax credit or both.
- (12) In this section references to primary or secondary legislation are to such legislation whenever passed or made.
- (13) In this section—
- “the Commissioners” means the Commissioners for Her Majesty’s Revenue and Customs;
 - “primary legislation” means an Act (including this Act) or Northern Ireland legislation;
 - “secondary legislation” means an instrument made under primary legislation (including an Order under this section);
 - “tax credit functions” means functions so far as relating to tax credits conferred by or under any primary or secondary legislation.
- (14) In section 5A(3) of the Ministers of the Crown Act 1975, for “section 5(1)” there is substituted “section 5(1)(a) or (b)”.

#CommentB

Orders—

Tax Credits (Exercise of Functions) Order 2014, SI 2014/3280.

#CommentE

Information-sharing: Secretary of State and HMRC

127 Information-sharing between Secretary of State and HMRC

- (1) This subsection applies to information which is held for the purposes of any HMRC functions—
- (a) by the Commissioners for Her Majesty’s Revenue and Customs, or
 - (b) by a person providing services to them.

- (2) Information to which subsection (1) applies may be supplied—
- (a) to the Secretary of State, or to a person providing services to the Secretary of State, or
 - (b) to a Northern Ireland Department, or to a person providing services to a Northern Ireland Department,

for use for the purposes of departmental functions.

(3) This subsection applies to information which is held for the purposes of any departmental functions—

- (a) by the Secretary of State, or by a person providing services to the Secretary of State, or
- (b) by a Northern Ireland Department, or by a person providing services to a Northern Ireland Department.

(4) Information to which subsection (3) applies may be supplied—

- (a) to the Commissioners for Her Majesty's Revenue and Customs, or
- (b) to a person providing services to them,

for use for the purposes of HMRC functions.

(5) Information supplied under this section must not be supplied by the recipient of the information to any other person or body without—

- (a) the authority of the Commissioners for Her Majesty's Revenue and Customs, in the case of information supplied under subsection (2);
- (b) the authority of the Secretary of State, in the case of information held as mentioned in subsection (3)(a) and supplied under subsection (4);
- (c) the authority of the relevant Northern Ireland Department, in the case of information held as mentioned in subsection (3)(b) and supplied under subsection (4).

(6) Where information supplied under this section has been used for the purposes for which it was supplied, it is lawful for it to be used for any purposes for which information held for those purposes could be used.

(7) In this section—

“departmental functions” means functions relating to—

- (a) social security,
- (b) employment or training, ...¹
- (c) the investigation or prosecution of offences relating to tax credits; [or
- (d) child support;]¹

“HMRC function” means any function—

- (a) for which the Commissioners for Her Majesty's Revenue and Customs are responsible by virtue of section 5 of the Commissioners for Revenue and Customs Act 2005, ...³
- (b) which relates to a matter listed in Schedule 1 to that Act; [or
- (c) which is conferred by or under the Childcare Payments Act 2014;]³

“Northern Ireland Department” means any of the following—

- (a) the Department for Social Development;
- (b) the Department of Finance and Personnel;
- (c) the Department for Employment and Learning;

(8) For the purposes of this section any reference to functions relating to social security includes a reference to functions relating to—

- (a) statutory payments as defined in section 4C(11) of the Social Security Contributions and Benefits Act 1992;
- (b) maternity allowance under section 35 of that Act;
- (c) statutory payments as defined in section 4C(11) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992;
- (d) maternity allowance under section 35 [or 35B]² of that Act.

(9) This section does not limit the circumstances in which information may be supplied apart from this section.

(10) In section 3 of the Social Security Act 1998 (use of information), in subsection (1A), after paragraph (d) there is inserted—

[ISOB

“(e) the investigation or prosecution of offences relating to tax credits.”

[ISOE

#CommentB

Amendments—

#EndnotesB

- 1 In sub-s (7), in definition “departmental functions”, word “or” in para (b) repealed, and para (d) and preceding word “or” inserted, by the Public Bodies (Child Maintenance and Enforcement Commission: Abolition and Transfer of Functions) Order, SI 2012/2007 art 3(2), Schedule paras 101, 102 with effect from 1 August 2012.
- 2 In sub-s (8)(d), word inserted by the Social Security (Maternity Allowance) (Participating Wife or Civil Partner of Self-employed Earner) Regulations, SI 2014/606 reg 4 with effect from 1 April 2014.

- 3 In sub-s (7), in definition of “HMRC function”, word at the end of paragraph (a) repealed, and para (c) and preceding word inserted, by the Childcare Payments Act 2014 s 27(6) with effect, for certain purposes, from 17 December 2014 (see the Childcare Payments Act 2014, s 75(1)(c)), and for remaining purposes, from 20 July 2016 (see SI 2016/763 reg 2(1)).

#EndnotesE

#CommentE

Part 7

Final

147 Repeals

Schedule 14 contains consequential repeals.

148 Financial provision

There shall be paid out of money provided by Parliament—

- (a) sums paid by the Secretary of State by way of universal credit or personal independence payment;
- (b) any other expenditure incurred in consequence of this Act by a Minister of the Crown or the Commissioners for Her Majesty’s Revenue and Customs;
- (c) any increase attributable to this Act in the sums payable under any other Act out of money so provided.

149 Extent

- (1) This Act extends to England and Wales and Scotland only, subject as follows.
- (2) The following provisions extend to England and Wales, Scotland and Northern Ireland—
 - (a) section 32 (power to make consequential and supplementary provision: universal credit);
 - (b) section 33 (abolition of benefits);
 - (c) section 76 (calculation of working tax credit);
 - (d) section 92 (power to make consequential and supplementary provision: personal independence payment);
 - (e) section 126(1) to (13) (tax credits: transfer of functions etc);
 - (f) section 127(1) to (9) (information-sharing between Secretary of State and HMRC);
 - (g) this Part, excluding Schedule 14 (repeals).
- (3) Sections 128 and 129 extend to England and Wales only.
- (4) Any amendment or repeal made by this Act has the same extent as the enactment to which it relates.

150 Commencement

- (1) The following provisions of this Act come into force on the day on which it is passed—
 - (a) section 76 (calculation of working tax credit);
 - (b) section 103 and Schedule 12 (supersession of decisions of former appellate bodies) (but see section 103(2));
 - (c) section 108 (application of Limitation Act 1980) (but see section 108(4));
 - (d) section 109 (recovery of fines etc by deductions from employment and support allowance) (but see section 109(3));
 - (e) section 126 (tax credits: transfer of functions etc);
 - (f) this Part, excluding Schedule 14 (repeals).
- (2) The following provisions of this Act come into force at the end of the period of two months beginning with the day on which it is passed—
 - (a) section 50 (dual entitlement to employment and support allowance and jobseeker's allowance);
 - (b) section 60 and Part 6 of Schedule 14 (claimants dependent on drugs etc);
 - (c) sections 71 and 72 (social fund: purposes of discretionary payments and determination of amount or value of budgeting loan);
 - (d) section 107 (recovery of child benefit and guardian's allowance);
 - (e) section 111 (time limit for legal proceedings);
 - (f) section 127 and Part 13 of Schedule 14 (information-sharing between Secretary of State and HMRC);
 - (g) section 134 (information-sharing for social security or employment purposes etc);
 - (h) section 135 (functions of registration service);
 - (i) section 142 (exclusion of child support maintenance from individual voluntary arrangements);
 - (j) section 145 and Schedule 13 (Social Mobility and Child Poverty Commission);
 - (k) Part 2 of Schedule 14 (entitlement to jobseeker's allowance without seeking employment).
- (3) The remaining provisions of this Act come into force on such day as the Secretary of State may by order made by statutory instrument appoint.
- (4) An order under subsection (3) may—
 - (a) appoint different days for different purposes;
 - (b) appoint different days for different areas in relation to—

- (i) any provision of Part 1 (universal credit) or of Part 1 of Schedule 14;
 - (ii) section 61 or 62 (entitlement to work: jobseeker's allowance and employment and support allowance);
 - (iii) any provision of Part 4 (personal independence payment) or of Part 9 of Schedule 14;
 - (iv) section 102 (consideration of revision before appeal);
- (c) make such transitory or transitional provision, or savings, as the Secretary of State considers necessary or expedient.

#CommentB

Orders—

Welfare Reform Act 2012 (Commencement No 1) Order, SI 2012/863.

Welfare Reform Act 2012 (Commencement No 2) Order, SI 2012/1246.

Welfare Reform Act 2012 (Commencement No 2) (Amendment) Order, SI 2012/1440.

Welfare Reform Act 2012 (Commencement No 3, Savings Provision) Order, SI 2012/1651.

Welfare Reform Act 2012 (Commencement No 4) Order, SI 2012/2530.

Welfare Reform Act 2012 (Commencement No 5) Order, SI 2012/2946.

Welfare Reform Act 2012 (Commencement No 6 and Savings Provisions) Order, SI 2012/3090.

Welfare Reform Act 2012 (Commencement No 7) Order, SI 2013/178.

Welfare Reform Act 2012 (Commencement No 8 and Savings and Transitional Provisions) Order, SI 2013/358.

Welfare Reform Act 2012 (Commencement No 9 and Transitional and Transitory Provisions and Commencement No 8 and Savings and Transitional Provisions (Amendment)) Order 2013, SI 2013/983.

Welfare Reform Act 2012 (Commencement No 10) Order 2013, SI 2013/1250.

Welfare Reform Act 2012 (Commencement No 11 and Transitional and Transitory Provisions and Commencement No 9 and Transitional and Transitory Provisions (Amendment)) Order 2013, SI 2013/1511.

Welfare Reform Act 2012 (Commencement No 12) Order 2013, SI 2013/2534.

Welfare Reform Act 2012 (Commencement No 13 and Transitional and Transitory Provisions) Order, SI 2013/2657.

Welfare Reform Act 2012 (Commencement No 14 and Transitional and Transitory Provisions) Order 2013, SI 2013/2846.

Child Maintenance and Other Payments Act 2008 (Commencement No 12 and Savings Provisions) and the Welfare Reform Act 2012 (Commencement No 15) Order 2013, SI 2013/2947.

Welfare Reform Act 2012 (Commencement No 16 and Transitional and Transitory Provisions) Order 2014, SI 2014/209.

Welfare Reform Act 2012 (Commencement No 9, 11, 13, 14 and 16 and Transitional and Transitory Provisions (Amendment)) Order 2014, SI 2014/1452

Welfare Reform Act 2012 (Commencement No 17 and Transitional and Transitory Provisions) Order 2014, SI 2014/1583

Child Maintenance and Other Payments Act 2008 (Commencement No 14 and Transitional Provisions) and the Welfare Reform Act 2012 (Commencement No 18 and Transitional and Savings Provisions) Order, SI 2014/1635.

Welfare Reform Act 2012 (Commencement No 9, 11, 13 14, 16 and 17 and Transitional and Transitory Provisions (Amendment)) Order 2014, SI 2014/1661.

Welfare Reform Act 2012 (Commencement No 9, 11, 13, 14, 16 and 17 and Transitional and Transitory Provisions (Amendment) (No 2)) Order 2014, SI 2014/1923.

Welfare Reform Act 2012 (Commencement No 19 and Transitional and Transitory Provisions and Commencement No 9 and Transitional and Transitory Provisions (Amendment)) Order 2014, SI 2014/2321.

Welfare Reform Act 2012 (Commencement No 9, 11, 13 14, 16, 17 and 19 and Transitional and Transitory Provisions (Amendment)) Order 2014, SI 2014/3067.

Welfare Reform Act 2012 (Commencement No 9, 11, 13, 14, 16, 17 and 19 and Transitional and Transitory Provisions (Amendment)) Order 2015, SI 2015/32.

Welfare Reform Act 2012 (Commencement No 21 and Transitional and Transitory Provisions) Order 2015, SI 2015/33.

Welfare Reform Act 2012 (Commencement No 22 and Transitional and Transitory Provisions) Order 2015, SI 2015/101.

Welfare Reform Act 2012 (Commencement No 23 and Transitional and Transitory Provisions) Order 2015, SI 2015/634.

Welfare Reform Act 2012 (Commencement No 23 and Transitional and Transitory Provisions) (Amendment) Order 2015, SI 2015/740.

Welfare Reform Act 2012 (Commencement No 24 and Transitional and Transitory Provisions and Commencement No 9 and Transitional and Transitory Provisions (Amendment)) Order 2015, SI 2015/1537.

Welfare Reform Act 2012 (Commencement No 25 and Transitional and Transitory Provisions) Order, SI 2015/1930.

Welfare Reform Act 2012 (Commencement No 26 and Transitional and Transitory Provisions and Commencement No 22, 23 and 24 and Transitional and Transitory Provisions (Modification)) Order, SI 2016/33.

Welfare Reform Act 2012 (Commencement No 27 and Transitional and Transitory Provisions and Commencement No 22, 23 and 24 and Transitional and Transitory Provisions (Modification)) Order, SI 2016/407.

Welfare Reform Act 2012 (Commencement No 28) Order, SI 2016/511.

Welfare Reform Act 2012 (Commencement No 13, 14, 16, 19, 22, 23 and 24 and Transitional and Transitory Provisions (Modification)) Order, SI 2016/596.

[#CommentE](#)

151 Short title

This Act may be cited as the Welfare Reform Act 2012.

[SCHED

SCHEDULE 14

Repeals

Section 147

Part 1

Abolition of Benefits Superseded by Universal Credit

[FTB
#TableB

<i>Short title and chapter</i>	<i>Extent of repeal</i>
Tax Credits Act 2002 (c 21)	Part 1 (but not Schedule 1 or 3).
Civil Partnership Act 2004 (c 33)	In Schedule 24, paragraphs 42 to 46, 55, 118 to 122 and 144 to 147.

#TableE
[FTE

Part 13

Information-Sharing Between Secretary of State and HMRC

[FTB
#TableB

<i>Short title and chapter</i>	<i>Extent of repeal</i>
Tax Credits Act 2002 (c 21).	In Schedule 5— (a) in paragraph 4(2) “social security or”; (b) paragraph 4(3) (c) in paragraph 4(3A) “social security,”; (d) in paragraph 4(3B), “social security or”; (e) in paragraph 4(4), “(3) and”; (f) in paragraph 6(1), “social security,”; (g) in paragraph 6(1A), “social security,” (h) in paragraph 6(3) “social security or”; (i) paragraph 12(a).

#TableE
[FTE

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