

Welfare Reform Act 2012 (Commencement No 32 and Savings and Transitional Provisions) Order 2019

Made 31 January 2019

The Secretary of State for Work and Pensions makes the following Order in exercise of the powers conferred by section 150(3) and (4)(a), (b)(i) and (c) of the Welfare Reform Act 2012:

1 Citation and Interpretation

(1) This Order may be cited as the Welfare Reform Act 2012 (Commencement No 32 and Savings and Transitional Provisions) Order 2019.

(2) In this Order—

“the Act” means the Welfare Reform Act 2012;

“the 2002 Act” means the Tax Credits Act 2002;

“the 2015 Order (NI)” means the Welfare Reform (Northern Ireland) Order 2015;

“the No 8 Order (NI)” means the Welfare Reform (Northern Ireland) Order 2015 (Commencement No 8 and Transitional and Transitory Provisions) Order 2017;

“the No 9 Order” means the Welfare Reform Act 2012 (Commencement No 9 and Transitional and Transitory Provisions and Commencement No 8 and Savings and Transitional Provisions (Amendment)) Order 2013;

“the No 21 Order” means the Welfare Reform Act 2012 (Commencement No 21 and Transitional and Transitory Provisions) Order 2015;

“the No 23 Order” means the Welfare Reform Act 2012 (Commencement No 23 and Transitional and Transitory Provisions) Order 2015;

“the Claims and Payments Regulations 1987” means the Social Security (Claims and Payments) Regulations 1987;

“couple” means a couple as defined in section 3(5A) of the 2002 Act;

“employment and support allowance” means an employment and support allowance under Part 1 of the Welfare Reform Act 2007;

“jobseeker’s allowance” means a jobseeker’s allowance under the Jobseekers Act 1995;

“joint-claim couple” has the same meanings as in the Jobseeker’s Act 1995;

“Her Majesty’s forces” has the same meaning as in the Armed Forces Act 2006;

“mixed-age couple” means a couple, one member of which has attained the qualifying age and the other of which has not;

“polygamous unit” means a polygamous unit within the meaning of the Tax Credits (Polygamous Marriages) Regulations 2003;

“qualifying age” means the qualifying age for state pension credit as defined in section 1(6) of the State Pension Credit Act 2002;

“single claimant” means a person who makes a single claim for a tax credit as referred to in section 3(3)(b) of the 2002 Act;

“tax credit” (including “child tax credit” and “working tax credit”) have the same meanings as in the 2002 Act and “tax year” has the same meaning as in Part 1 of that Act;

“UC age condition” means the condition in section 4(1)(b) of the Act for Great Britain or Article 9(1)(b) of the 2015 Order (NI) for Northern Ireland, subject to any exceptions in any instrument made under the Act or 2015 Order (NI);

“UC couple” means a couple as defined in section 39 of the Act for Great Britain or Article 45 of the 2015 Order (NI) for Northern Ireland (in article 4, as defined in that section 39);

“UC joint claimants” means joint claimants as defined in section 40 of the Act for Great Britain or Article 46 of the 2015 Order (NI) for Northern Ireland (in article 4, as defined in that section 40);

“UC provisions” means the provisions listed in Schedule 2 to the No 9 Order;

“UC single claimant” means a single claimant as defined in section 40 of the Act for Great Britain or Article 46 of the 2015 Order (NI) for Northern Ireland (in article 4, as defined in that section 40);

“UC transitional provisions” means the orders made under section 150(3) of the Act or Article 2(2) of the 2015 Order (NI) that commence the UC provisions, or the provisions listed in Schedule 1 to the No 8 Order (NI), respectively, and the regulations made under Schedule 6 to the Act or Schedule 6 to the 2015 Order (NI).

(3) In this Order—

- (a) “frontier worker” means a person, other than a person referred to in sub-paragraph (b), who is in Great Britain for the purposes of section 4(1)(c) of the Act but who does not reside in Great Britain or Northern Ireland;
- (b) the person referred to is a crown servant or member of Her Majesty’s forces posted overseas (where “crown servant” and “posted overseas” have the same meanings as in regulation 10 of the Universal Credit Regulations 2013).

2 Commencement of provisions on abolition of tax credits

The day appointed for the coming into force of section 33(1)(f) of the Act (abolition of tax credits) and the repeal of Part 1 of the 2002 Act (but not Schedule 1 or 3), by Part 1 of Schedule 14 to the Act, is 1st February 2019.

3 Savings

(1) Section 33(1)(f) of the Act, and the repeal of Part 1 of the 2002 Act (but not Schedule 1 or 3) by Part 1 of Schedule 14 to the Act, shall be treated as though they had not come into force, in relation to a case as referred to in paragraph (2), (3), (4), (5) or (9).

(2) The case referred to is the case of an award of a tax credit that has effect for a period that includes 31st January 2019.

(3) The case referred to is the case of an award of a tax credit where the period for which it has effect begins on or after 1st February 2019 and where the claim for the award is made by—

- (a) a single claimant who is, or a couple both members of which are, aged under the qualifying age on the day that the claim is made;
- (b) a mixed-age couple which is also a UC couple on that day; or
- (c) a polygamous unit which on that day consists wholly of persons who, ignoring any restrictions on claiming universal credit in the UC transitional provisions, could claim universal credit, and meet the UC age condition, as—
 - (i) UC joint claimants and one or more UC single claimants; or
 - (ii) a number of UC single claimants.

(4) The case referred to is the case of an award of a tax credit where the period for which it has effect begins on or after 1st February 2019 and where the claim for the award is made by—

- (a) a mixed-age couple apart from one referred to in paragraph (3)(b); or
- (b) a polygamous unit apart from one referred to in paragraph (3)(c),

where, on the day on which the claim is made, a member of the couple, or a member or members of the polygamous unit, would be able to claim universal credit were it not for restrictions on claiming universal credit in the UC transitional provisions.

(5) The case referred to is a case, not falling within paragraph (3) or (4), of—

- (a) an award of child tax credit where the period for which it has effect begins on or after 1st February 2019 and where, on the day on which the claimant or claimants of the award makes or make the claim for it, he or she (or they) has or have an award of working tax credit;
- (b) an award of working tax credit where the period for which it has effect begins on or after 1st February 2019 and where, on the day on which the claimant or claimants of the award makes or make the claim for it, he or she (or they) has or have an award of child tax credit;
- (c) an award of child tax credit or working tax credit where the period for which it has effect begins on or after 1st February 2019 and where the claimant or claimants who makes or make the claim for the award had an award of the same type of tax credit for the previous tax year to the tax year for which the award is made.

(6) For the purposes of paragraph (5)(a) and (b)—

- (a) a person is to be treated as having an award of working tax credit with effect from the start of a tax year ("current tax year") even though a decision has not been made under section 14 of the 2002 Act in respect of a claim for that tax credit for that tax year, if the person had an award of working tax credit for the previous tax year and any of the cases specified in paragraph (7) applies; and
- (b) a person is to be treated as having an award of child tax credit with effect from the start of a tax year ("current tax year") even though a decision has not been made under section 14 of the 2002 Act in respect of a claim for that tax credit for that tax year, if the person had an award of child tax credit for the previous tax year and any of the cases specified in paragraph (7) applies.

(7) The cases are—

- (a) a final notice has not been given to the person under section 17 of the 2002 Act in respect of that previous tax year;
- (b) a final notice has been given, which includes provision by virtue of subsections (2) and (4) of section 17, or a combination of those subsections and subsection (6) of that section and—
 - (i) the date specified in the notice for the purposes of section 17(2) and (4) or, where different dates are specified, the later of them, has not yet passed and no claim for a tax credit for the current tax year has been made, or treated as made; or
 - (ii) a claim for a tax credit has been made, or treated as made, on or before the date mentioned in paragraph (i), but no decision has been made in relation to that claim under section 14(1) of the 2002 Act;
- (c) a final notice has been given, no claim for a tax credit for the current tax year has been made, or treated as made, and no decision has been made under section 18(1) of the 2002 Act in respect of entitlement to a tax credit for the previous tax year;
- (d) a final notice has been given and the person made a declaration in response to a requirement included in that notice by virtue of section 17(2)(a), (4)(a) or (6)(a), or any combination of those provisions—
 - (i) by the date specified on the final notice;
 - (ii) if not in accordance with paragraph (i), within 30 days following the date on the notice to the person that payments of a tax credit under section 24(4) of the 2002 Act have ceased due to the person's failure to make the declaration by the date specified in the final notice; or
 - (iii) if not in accordance with paragraph (i) or (ii), before 31st January in the tax year following the period to which the final notice relates and, in the opinion of Her Majesty's Revenue and Customs, the person had good reason for not making the declaration in accordance with paragraph (i) or (ii).

(8) In this article, a reference to the date on which a claim for a tax credit is made is a reference to the date on which such a claim is made or treated as made as provided for in the Tax Credits (Claims and Notifications) Regulations 2002.

(9) The case referred to is the case of an award of a tax credit that had effect for a period that ended on or before 30th January 2019.

(1) The day appointed for the coming into force of the UC provisions, in so far as they are not already in force, in relation to the case of a claim referred to in paragraph (2), and any award that is made in respect of the claim, is the day appointed in accordance with paragraph (3).

(2) The claim referred to is a claim for universal credit that is made on or after 1st February 2019 in respect of a period that begins on or after 1st February 2019 where, on the date that the claim is made, the claimant (in the case of UC joint claimants, either claimant) resides outside Great Britain.

(3) The day appointed in relation to the case of a claim referred to in paragraph (2), and any award that is made in respect of the claim, is the first day of the period in respect of which the claim is made.

(4) Article 3(6) of the No 9 Order applies for the purposes of paragraph (3) as it applies for the purposes of article 3(4)(a) of the No 9 Order.

(5) The day appointed for the coming into force of the provisions referred to in article 4(1)(a) to (c) of the No 9 Order, in so far as they are not already in force, in relation to the case of a claim referred to in paragraph (6), and any award that is made in respect of the claim, is the day appointed in accordance with paragraph (7).

(6) The claims referred to are—

- (a) a claim for universal credit that is made on or after 1st February 2019 in respect of a period that begins on or after 1st February 2019 where, on the date that the claim is made, the claimant (in the case of UC joint claimants, either claimant) resides outside Great Britain;
- (b) a claim for an employment and support allowance or a jobseeker's allowance that is made on or after 1st February 2019 in respect of a period that begins on or after 1st February 2019 where, on the date that the claim is made, the claimant (in the case of a claim for a jobseeker's allowance by a joint-claim couple, or a claim for either allowance by a person who would form part of a UC couple for the purposes of universal credit, either member of the couple) resides outside Great Britain;
- (c) a claim for an employment and support allowance or a jobseeker's allowance other than one referred to in sub-paragraph (b) that is made or treated as made during the relevant period by a UC single claimant or by either of two UC joint claimants who has or have made a claim for universal credit under sub-paragraph (a).

(7) The day appointed in relation to the case of a claim referred to in paragraph (6), and any award that is made in respect of the claim, is the first day of the period in respect of which the claim is made.

(8) Paragraphs (6), (7), (9) and (10) of article 4 of the No 9 Order apply in relation to a claim for universal credit referred to in paragraph (6)(a) (and any award that is made in respect of the claim) as they apply to a claim for universal credit referred to in sub-paragraph (a) or (b) of article 4(2) of the No 9 Order (and any award that is made in respect of the claim).

(9) Article 5(8) of the No 9 Order applies for the purposes of paragraph (7) as it applies for the purposes of article 4(3)(a) of the No 9 Order.

(10) Article 7 of the No 23 Order applies as though the reference in paragraph (1) of that article to article 3(1) and (2)(a) to (c) of that Order included a reference to paragraphs (1) and (2).

(11) No claim may be made for universal credit on or after 1st February 2019 by a UC single claimant who is, or UC joint claimants each of whom is, a frontier worker.

(12) Articles 9 to 22 of the No 9 Order apply in connection with the coming into force of the provisions referred to in article 4(1)(a) to (c) of the No 9 Order, in relation to the case of a claim referred to in paragraph (6), and any award made in respect of the claim, as they apply in connection with the coming into force of those provisions in relation to the case of a claim referred to in sub-paragraph (a) or (g) of article 4(2) of the No 9 Order and any award that is made in respect of the claim.

(13) In this article—

- (a) “claimant”—
 - (i) in relation to an employment and support allowance, has the same meaning as in Part 1 of the Welfare Reform Act 2007;
 - (ii) in relation to a jobseeker's allowance, has the same meaning as in the Jobseeker's Act 1995 (as it applies apart from the amendments made by Part 1 of Schedule 14 to the Act that remove references to an income-based jobseeker's allowance), save as mentioned in paragraph (6)(b);
 - (iii) in relation to universal credit, has the same meaning as in Part 1 of the Act, save as mentioned in

paragraph (2) and (6)(a);

(b) “relevant period” means, in relation to a claim for universal credit within paragraph (6)(a), any UC claim period, and any period subsequent to any UC claim period in respect of which the claimant is entitled to an award of universal credit in respect of the claim;

(c) “UC claim period” means a period when—

- (i) a claim for universal credit within paragraph (6)(a) has been made but a decision has not yet been made on the claim; or
- (ii) a decision has been made that the claimant is not entitled to universal credit and—
 - (aa) the Secretary of State is considering whether to revise that decision under section 9 of the Social Security Act 1998, whether on an application made for that purpose or on the Secretary of State’s own initiative; or
 - (bb) the claimant has appealed against that decision to the First-tier Tribunal and that appeal, or any subsequent appeal to the Upper Tribunal or a court, has not yet been finally determined;

(d) the Universal Credit, Personal Independence Payment, Jobseeker’s Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013 apply for the purpose of deciding—

- (i) whether a claim for universal credit is made;
- (ii) the date on which such a claim is made;

(e) the Claims and Payments Regulations 1987 apply, subject to sub-paragraphs (f) and (g), for the purpose of deciding—

- (i) whether a claim for an employment and support allowance or a jobseeker’s allowance is made; and
- (ii) the date on which the claim is made or treated as made;

(f) subject to sub-paragraph (g)—

- (i) a person makes a claim for an employment and support allowance or a jobseeker’s allowance if he or she takes any action which results in a decision on a claim being required under the Claims and Payments Regulations 1987; and
- (ii) it is irrelevant that the effect of any provision of those Regulations is that, for the purposes of those Regulations, the claim is made or treated as made at a date that is earlier than the date on which that action is taken;

(g) where, by virtue of—

- (i) regulation 6(1F)(b) or (c) of the Claims and Payments Regulations 1987, in the case of a claim for an employment and support allowance; or
- (ii) regulation 6(4ZA) to (4ZD) and (4A)(a)(i) and (b) of those Regulations, in the case of a claim for a jobseeker’s allowance,

a claim for an employment and support allowance or a jobseeker’s allowance is treated as made at a date that is earlier than the date on which the action referred to in sub-paragraph (f)(i) is taken, the claim is treated as made on that earlier date.

5 Amendment of the No 9, No 21 and No 23 Orders

(1) With effect from 1st February 2019, the No 9, No 21 and No 23 Orders are amended as follows.

(2) In the No 9 Order—

(a) in article 5A(1), after “disability premium)” insert “or article 4(11) of the Welfare Reform Act 2012 (Commencement No 32 and Savings and Transitional Provisions) Order 2019 (no claims for universal credit by frontier workers)”;

(b) in article 6(1)(e)(ii), for the words after “made” substitute “or the claim is or would be one to which regulation 4A of those Regulations (restriction on claims for universal credit by persons entitled to a severe disability premium) or article 4(11) of the Welfare Reform Act 2012 (Commencement No 32 and Savings and Transitional Provisions) Order 2019 (no claims for universal credit by frontier workers) applies”.

(3) In article 6 of the No 21 Order—

- in paragraph (3), omit “or a tax credit” in the words before sub-paragraph (a), and omit sub-paragraph (b);
- in paragraph (4), for the words “is or are entitled” to the end substitute “has or have an award of working tax credit or child tax credit respectively”;
- in paragraph (5), for the words “is or was, or persons are or were, entitled to” substitute “has or had, or persons have or had, an award of”;
- for paragraph (6) substitute—

“(6) In paragraph (4), the reference to a person having an award of a tax credit includes where the person is “treated as being entitled to a tax credit” in the circumstances referred to in regulation 11(1) and (2)(a) to (ca) of the Universal Credit (Transitional Provisions) Regulations 2014 but as if, in regulation 11(1), for “For the purposes of regulations 7(7) and 8(4)” there were substituted “For the purposes of article 6(4) of the Welfare Reform Act 2012 (Commencement No 21 and Transitional and Transitory Provisions) Order 2015”.”;

- in paragraph (11), after “2014,” insert “or by virtue of article 4(11) of the Welfare Reform Act 2012 (Commencement No 32 and Savings and Transitional Provisions) Order 2019”.

(4) In article 7 of the No 23 Order—

- in paragraph (2), after “2014,” insert “or by virtue of article 4(11) of the Welfare Reform Act 2012 (Commencement No 32 and Savings and Transitional Provisions) Order 2019”;
- in paragraph (4), omit “or a tax credit” in the words before sub-paragraph (a), and omit sub-paragraph (b);
- in paragraph (5), for the words “is or are entitled” to the end substitute “has or have an award of working tax credit or child tax credit respectively”;
- in paragraph (6), for the words “is or was, or persons are or were, entitled to” substitute “has or had, or persons have or had, an award of”;
- for paragraph (7) substitute—

“(7) In paragraph (5), the reference to a person having an award of a tax credit includes where the person is “treated as being entitled to a tax credit” in the circumstances referred to in regulation 11(1) and (2)(a) to (ca) of the Universal Credit (Transitional Provisions) Regulations 2014 but as if, in regulation 11(1), for “For the purposes of regulations 7(7) and 8(4)” there were substituted “For the purposes of article 7(5) of the Welfare Reform Act 2012 (Commencement No 23 and Transitional and Transitory Provisions) Order 2015”.”.