

*These notes refer to the Child Support, Pensions and Social Security Act 2000 (c.19) which received Royal Assent on 28th July 2000*

# **CHILD SUPPORT, PENSIONS AND SOCIAL SECURITY ACT 2000**

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## **EXPLANATORY NOTES**

### **OVERVIEW**

#### ***Background to the Act***

1. In March 1998, the Government set out its broad welfare reform agenda in the Green Paper entitled *New ambitions for our country: A NEW CONTRACT FOR WELFARE* (Cm 3805). The central principle espoused in the Green Paper was “work for those who can, and security for those who cannot.”
2. Since then, the Government has legislated for a number of reforms in the Welfare Reform and Pensions Act 1999 and has published two main documents of relevance to this Act, to take forward that broad agenda:
  - Green Paper *A new contract for welfare: PARTNERSHIP IN PENSIONS* (Cm 4179), published in December 1998. Some of the proposals for reform have already been taken forward in the Welfare Reform and Pensions Act 1999. These include the introduction of stakeholder pensions and changes to occupational and personal pensions.
  - White Paper *A new contract for welfare: CHILDREN’S RIGHTS AND PARENTS’ RESPONSIBILITIES* (Cm 4349), published on 1<sup>st</sup> July 1999.
3. In addition, the Government has reviewed the operation of the National Insurance system, the way in which the appeals system for War Pensions operates, enforcement of community punishments, and the powers held by fraud inspectors.

#### ***The measures in the Act***

4. The main elements in the Act are:

##### **Part I:**

- reform of the child support system.

##### **Part II:**

- reform of the State Earnings-Related Pension Scheme by way of the State Second Pension;
- measures to extend sharing of pension provision on divorce and to facilitate improved pension information for individuals;
- further reform of the regulation of occupational and personal pensions; and
- measures to extend appeal rights for war pensioners and the introduction of new time limits.

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**Part III:**

- measures to withdraw or reduce benefit entitlement where an offender has breached the terms of a community sentence;
- clarification and alignment of the powers of benefit fraud Inspectors which currently differ between different benefits and between DSS and local authority investigators; and
- measures to align the arrangements for decision-making and appeals in Housing Benefit and Council Tax Benefit with those applying to other social security benefits, and to remove the discretion of Local Authorities to recover overpayments of Housing Benefit resulting from tenant fraud from a landlord (other than in cases of collusion) where the landlord has reported the alleged fraud.

**Part IV:**

- aligning the treatment of benefits in kind for employers' National Insurance Contributions with their treatment for Income Tax purposes;
- facilitate remuneration through share option packages, enhancing employer's flexibility in rewarding employees.