

WELFARE REFORM ACT 2012

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 5: Social security: General

Section 106: Deductions from earnings: other cases

547. *Section 106* amends sections 71, 71ZA, 75 and 78 of the SSAA 1992 to provide for the recovery of social security debt not covered by the equivalent provisions in section 105 to be recovered by deduction from earnings.

Section 71

548. New *subsection (9A)* allows regulations to provide that amounts recoverable under section 71(8) (i.e. overpayments of benefits not covered by section 71ZB) may be recovered by deduction from earnings.
549. New *subsection (9B)* allows the Secretary of State to prescribe in regulations the definition of 'earnings' for the purpose of this section.
550. New *subsection (9C)* describes the related issues for which the Secretary of State may prescribe in regulations under *subsection (9A)*. These include preventing an employer from making deductions from earnings where they would take earnings below a specified level, allowing for an employer to deduct a prescribed sum from earnings in respect of the employer's administration costs, providing for a criminal offence for non-compliance with certain of the obligations under those regulations and legislating as to priorities of deductions from earnings made under these powers as against those made under other legislation.

Section 71ZA

551. New *subsection (2A)* is inserted into *section 71ZA* to allow for the recovery of overpaid discretionary social fund payments which are recoverable by virtue of that section to be recovered by deduction from earnings.

Section 75

552. New *subsection (8)* allows regulations to provide that overpaid housing benefit recoverable by virtue of section 75(4) may be recovered by deduction from earnings.
553. New *subsection (9)* allows the Secretary of State to prescribe in regulations the definition of 'earnings' for the purpose of this section.
554. New *subsection (10)* describes the related issues for which the Secretary of State may prescribe in regulations under *subsection (8)*. These include preventing an employer from making deductions from earnings where they would take earnings below a specified level, allowing for an employer to deduct a prescribed sum from earnings in respect of the employer's administration costs, providing for a criminal offence for non-compliance with certain of the obligations under those regulations and legislating as to

*These notes refer to the Welfare Reform Act 2012
(c.5) which received Royal Assent on 8 March 2012*

priorities of deductions from earnings made under these powers as against those made under other legislation.

Section 78

- 555. New *subsection (3C)* allows regulations to provide that repayable social fund awards may be repaid by deduction from earnings.
- 556. New *subsection (3D)* allows the Secretary of State to prescribe in regulations the definition of 'earnings' for the purpose of this section.
- 557. New *subsection (3E)* provides for the same related issues for which the Secretary of State may prescribe in regulations under section 71(9C) to apply to those social fund amounts recoverable under *section 78(3C)*.