
STATUTORY INSTRUMENTS

2023 No. 640

SOCIAL SECURITY

The Social Security (Income and Capital Disregards) (Amendment) Regulations 2023

<i>Made</i>	- - - -	<i>12th June 2023</i>
<i>Laid before Parliament</i>		<i>14th June 2023</i>
<i>Coming into force</i>	- -	<i>9th July 2023</i>

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 123(1)(a) and (d), 130A(2), 135(1), 136(3) and (5), 136A(3) and 175(1), (3) and (4) of the Social Security Contributions and Benefits Act 1992(1), section 189(4) of the Social Security Administration Act 1992(2), sections 4(5), 12(1) and (4) and 36(2) and (4)(a) of the Jobseekers Act 1995(3), paragraph 8 of Schedule 1 to the Social Security (Recovery of Benefits) Act 1997(4), sections 2(3)(b) and 15(3) and (6) of the State Pension Credit Act 2002(5), sections 4(2), 17(1) and (3) and 25(2) and (3) of the Welfare Reform Act 2007(6) and section 42(1), (2) and (3)(a) of, and paragraph 4(1) and (3) of Schedule 1 to, the Welfare Reform Act 2012(7).

In accordance with section 173(1)(b) of the Social Security Administration Act 1992, the Social Security Advisory Committee has agreed that the proposals in respect of these Regulations should not be referred to it.

In respect of regulations 5 and 6, in accordance with section 176(1)(a) of the Social Security Administration Act 1992(8), the Secretary of State has consulted with organisations appearing to the Secretary of State to be representative of the authorities concerned.

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- (1) 1992 c. 4. Section 130A was inserted by section 30(2) of the Welfare Reform Act 2007 (c. 5). Section 136A was inserted by paragraph 3 of Schedule 2 to the State Pension Credit Act 2002 (c. 16). Section 175(1), (3) and (4) is applied in relation to the powers conferred by section 15(3) and (6) of the State Pension Credit Act 2002 (c. 16) by section 19(1) of that Act. See section 137(1) for the definition of “prescribed”.
- (2) 1992 c. 5. Section 189(4) is applied to the provisions of the Social Security (Recovery of Benefits) Act 1997 (c.27) by section 30 of that Act.
- (3) 1995 c. 18. See section 35(1) for the definition of “prescribed” and “regulations”.
- (4) 1997 c. 27. See section 29 for the definition of “prescribed” and “regulations”.
- (5) 2002 c. 16. See section 17(1) for the definition of “prescribed” and “regulations”.
- (6) 2007 c. 5. Section 4 was repealed for certain purposes by Schedule 14 to the Welfare Reform Act 2012 (c. 5). See section 24(1) for the definition of “prescribed” and “regulations”.
- (7) 2012 c. 5. See section 40 for the definition of “prescribed”.
- (8) Section 176(1)(a) was amended by paragraph 23 of Schedule 9 to the Local Government Finance Act 1992 (c. 14) and was repealed, to the extent that it related to council tax benefit, by Part 1 of Schedule 14 to the Welfare Reform Act 2012 with effect from 1st April 2013 and subject to savings and transitional provisions in articles 9 and 10 of S.I. 2013/358.

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Social Security (Income and Capital Disregards) (Amendment) Regulations 2023 and come into force on 9th July 2023.

(2) These Regulations extend to England and Wales and Scotland.

Amendment of the Income Support (General) Regulations 1987

2.—(1) The Income Support (General) Regulations 1987⁽⁹⁾ are amended as follows.

(2) In regulation 2(1) (interpretation)—

(a) for the definition of “Grenfell Tower payment” substitute—

““Grenfell Tower payment” means a payment made for the purpose of providing compensation or support in respect of the fire on 14th June 2017 at Grenfell Tower;”;

(b) after the definition of “Health Service (Wales) Act” insert—

““the Horizon system” means any version of the computer system used by the Post Office known as Horizon, Horizon Legacy, Horizon Online or HNG-X;”;

(c) after the definition of “polygamous marriage” insert—

““the Post Office” means Post Office Limited (registered number 02154540);”;

““Post Office compensation payment” means a payment made by the Post Office or the Secretary of State for the purpose of providing compensation or support which is—

(a) in connection with the failings of the Horizon system; or

(b) otherwise payable following the judgment in *Bates and Others v Post Office Ltd* ((No. 3) “Common Issues”)⁽¹⁰⁾;”;

(d) after the definition of “universal credit” insert—

““vaccine damage payment” means a payment made under the Vaccine Damage Payments Act 1979⁽¹¹⁾;”;

(e) in the definition of “qualifying person”, for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.

(3) In regulation 42(4ZB) (notional income), after sub-paragraph (c) insert—

“(d) a Post Office compensation payment.”.

(4) In regulation 48(10) (income treated as capital)—

(a) at the end of sub-paragraph (ad) omit “or”;

(b) after sub-paragraph (ad) insert—

“(ae) which is a Post Office compensation payment;”.

(5) In regulation 51(3B) (notional capital), after sub-paragraph (c) insert—

“(d) a Post Office compensation payment;

(e) a vaccine damage payment.”.

(6) In Schedule 3 (housing costs), in paragraph 18(8)(b) (non-dependant deductions), for “or Windrush payment” insert “, Windrush payment or Post Office compensation payment”.

(7) In Schedule 9 (sums to be disregarded in the calculation of income other than earnings), in paragraph 39—

⁽⁹⁾ S.I. 1987/1967. Relevant amending instruments are S.I. 2020/618 and 2021/1405.

⁽¹⁰⁾ [2019] EWHC 606 (QB).

⁽¹¹⁾ 1979 c. 17.

- (a) in sub-paragraph (1A), after paragraph (c) insert—
 - “(d) a Post Office compensation payment.”;
- (b) in each of sub-paragraphs (2) to (6), for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.
- (8) In Schedule 10 (capital to be disregarded), in paragraph 22—
 - (a) in sub-paragraph (1A), after “Windrush payment” insert “, Post Office compensation payment or vaccine damage payment”;
 - (b) in each of sub-paragraphs (2) to (6), for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.

Amendment of the Jobseeker’s Allowance Regulations 1996

3.—(1) The Jobseeker’s Allowance Regulations 1996⁽¹²⁾ are amended as follows.

(2) In regulation 1(3) (interpretation)—

(a) for the definition of “Grenfell Tower payment” substitute—

““Grenfell Tower payment” means a payment made for the purpose of providing compensation or support in respect of the fire on 14th June 2017 at Grenfell Tower;”;

(b) at the appropriate places insert—

““the Horizon system” means any version of the computer system used by the Post Office known as Horizon, Horizon Legacy, Horizon Online or HNG-X;”;

““the Post Office” means Post Office Limited (registered number 02154540);”;

““Post Office compensation payment” means a payment made by the Post Office or the Secretary of State for the purpose of providing compensation or support which is—

(a) in connection with the failings of the Horizon system; or

(b) otherwise payable following the judgment in *Bates and Others v Post Office Ltd* ((No. 3) “Common Issues”)⁽¹³⁾;”;

““vaccine damage payment” means a payment made under the Vaccine Damage Payments Act 1979;”;

(c) in the definition of “qualifying person”, for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.

(3) In regulation 105(10A) (notional income), after sub-paragraph (ad) insert—

“(ae) a Post Office compensation payment;”.

(4) In regulation 110(10) (income treated as capital)—

(a) at the end of sub-paragraph (ad) omit “or”;

(b) after sub-paragraph (ad) insert—

“(ae) which is a Post Office compensation payment;”.

(5) In regulation 113(3B) (notional capital), after sub-paragraph (c) insert—

“(d) a Post Office compensation payment;

(e) a vaccine damage payment.”.

(6) In Schedule 2 (housing costs), in paragraph 17(8)(b) (non-dependant deductions), for “or Windrush payment” substitute “, Windrush payment or Post Office compensation payment”.

⁽¹²⁾ S.I. 1996/207. Relevant amending instruments are S.I. 1998/2117, 2020/618 and 2021/1405.

⁽¹³⁾ [2019] EWHC 606 (QB).

(7) In Schedule 7 (sums to be disregarded in the calculation of income other than earnings), in paragraph 41—

- (a) in sub-paragraph (1A), after sub-paragraph (c) insert—
 - “(d) Post Office compensation payment.”;
- (b) in each of sub-paragraphs (2) to (6), for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.

(8) In Schedule 8 (capital to be disregarded), in paragraph 27—

- (a) in sub-paragraph (1A) after “Windrush payment” insert “, Post Office compensation payment or vaccine damage payment”;
- (b) in each of sub-paragraphs (2) to (6), for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.

Amendment of the State Pension Credit Regulations 2002

4.—(1) The State Pension Credit Regulations 2002(14) are amended as follows.

(2) In regulation 1(2) (interpretation)—

- (a) for the definition of “Grenfell Tower payment” substitute—
 - ““Grenfell Tower payment” means a payment made for the purpose of providing compensation or support in respect of the fire on 14th June 2017 at Grenfell Tower;”;
- (b) at the appropriate places insert—
 - ““the Horizon system” means any version of the computer system used by the Post Office known as Horizon, Horizon Legacy, Horizon Online or HNG-X;”;
 - ““the Post Office” means Post Office Limited (registered number 02154540);”;
 - ““Post Office compensation payment” means a payment made by the Post Office or the Secretary of State for the purpose of providing compensation or support which is—
 - (a) in connection with the failings of the Horizon system; or
 - (b) otherwise payable following the judgment in *Bates and Others v Post Office Ltd* ((No. 3) “Common Issues”)(15);”;
 - ““vaccine damage payment” means a payment made under the Vaccine Damage Payments Act 1979;”;
- (c) in the definition of “qualifying person”, for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.

(3) In Schedule 2 (housing costs), in paragraph 14(8) (persons residing with the claimant), after sub-paragraph (bc) insert—

- “(bd) any Post Office compensation payment;”.

(4) In Schedule 5 (income from capital), in paragraph 15 (capital disregarded for purpose of calculating income)—

- (a) in sub-paragraph (1A), after “Windrush payment” insert “, Post Office compensation payment or vaccine damage payment”;
- (b) in each of sub-paragraphs (2) to (6), for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.

(14) S.I. 2002/1792. Relevant amending instruments are S.I. 2020/618 and 2021/1405.

(15) [2019] EWHC 606 (QB).

Amendment of the Housing Benefit Regulations 2006

- 5.—(1) The Housing Benefit Regulations 2006(16) are amended as follows.
- (2) In regulation 2(1) (interpretation)—
- (a) for the definition of “Grenfell Tower payment” substitute—
- ““Grenfell Tower payment” means a payment made for the purpose of providing compensation or support in respect of the fire on 14th June 2017 at Grenfell Tower;”;
- (b) at the appropriate places insert—
- ““the Horizon system” means any version of the computer system used by the Post Office known as Horizon, Horizon Legacy, Horizon Online or HNG-X;”;
- ““the Post Office” means Post Office Limited (registered number 02154540);”;
- ““Post Office compensation payment” means a payment made by the Post Office or the Secretary of State for the purpose of providing compensation or support which is—
- (a) in connection with the failings of the Horizon system; or
- (b) otherwise payable following the judgment in *Bates and Others v Post Office Limited* ((No. 3) “Common Issues”)(17);”;
- ““vaccine damage payment” means a payment made under the Vaccine Damage Payments Act 1979;”;
- (c) in the definition of “qualifying person”, for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.
- (3) In regulation 42(7A) (notional income), after sub-paragraph (c) insert—
- “(d) a Post Office compensation payment.”.
- (4) In regulation 46(6) (income treated as capital), after “a Windrush payment” insert “, a Post Office compensation payment”.
- (5) In regulation 49(4A) (notional capital), after sub-paragraph (c) insert—
- “(d) a Post Office compensation payment;
- (e) a vaccine damage payment.”.
- (6) In regulation 74(9) (non-dependant deductions), after sub-paragraph (bc) insert—
- “(bd) any Post Office compensation payment;”.
- (7) In Schedule 5 (sums to be disregarded in the calculation of income other than earnings), in paragraph 35—
- (a) in sub-paragraph (1A), after paragraph (c) insert—
- “(d) Post Office compensation payment.”;
- (b) in each of sub-paragraphs (2) to (6), for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.
- (8) In Schedule 6 (capital to be disregarded), in paragraph 24—
- (a) in sub-paragraph (1A), after “Windrush payment” insert “, Post Office compensation payment or vaccine damage payment”;
- (b) in each of sub-paragraphs (2) to (6), for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.

(16) S.I. 2006/213. Relevant amending instruments are S.I. 2020/618 and 2021/1405.

(17) [2019] EWHC 606 (QB).

Amendment of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006

6.—(1) The Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006⁽¹⁸⁾ are amended as follows.

(2) In regulation 2(1) (interpretation)—

(a) for the definition of “Grenfell Tower payment” substitute—

““Grenfell Tower payment” means a payment made for the purpose of providing compensation or support in respect of the fire on 14th June 2017 at Grenfell Tower;”;

(b) at the appropriate places insert—

““the Horizon system” means any version of the computer system used by the Post Office known as Horizon, Horizon Legacy, Horizon Online or HNG-X;”;

““the Post Office” means Post Office Limited (registered number 02154540);”;

““Post Office compensation payment” means a payment made by the Post Office or the Secretary of State for the purpose of providing compensation or support which is—

(a) in connection with the failings of the Horizon system; or

(b) otherwise payable following the judgment in *Bates and Others v Post Office Ltd* ((No. 3) “Common Issues”)⁽¹⁹⁾;”;

““vaccine damage payment” means a payment made under the Vaccine Damage Payments Act 1979;”;

(c) in the definition of “qualifying person”, for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.

(3) In regulation 55(10) (non-dependant deductions), after sub-paragraph (bc) insert—

“(bd) any Post Office compensation payment;”.

(4) In Schedule 6 (capital to be disregarded), in paragraph 16—

(a) in sub-paragraph (1A), after “Windrush payment” insert “, Post Office compensation payment or vaccine damage payment”;

(b) in each of sub-paragraphs (2) to (6), for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.

Amendment of the Employment and Support Allowance Regulations 2008

7.—(1) The Employment and Support Allowance Regulations 2008⁽²⁰⁾ are amended as follows.

(2) In regulation 2(1) (interpretation)—

(a) for the definition of “Grenfell Tower payment” substitute—

““Grenfell Tower payment” means a payment made for the purpose of providing compensation or support in respect of the fire on 14th June 2017 at Grenfell Tower;”;

(b) at the appropriate places insert—

““the Horizon system” means any version of the computer system used by the Post Office known as Horizon, Horizon Legacy, Horizon Online or HNG-X;”;

““the Post Office” means Post Office Limited (registered number 02154540);”;

⁽¹⁸⁾ S.I. 2006/214. Relevant amending instruments are S.I. 2020/618 and 2021/1405.

⁽¹⁹⁾ [2019] EWHC 606 (QB).

⁽²⁰⁾ S.I. 2008/794. Relevant amending instruments are S.I. 2020/618 and 2021/1405.

““Post Office compensation payment” means a payment made by the Post Office or the Secretary of State for the purpose of providing compensation or support which is—

- (a) in connection with the failings of the Horizon system; or
- (b) otherwise payable following the judgment in *Bates and Others v Post Office Ltd* ((No. 3) “Common Issues”)(**21**);”;

““vaccine damage payment” means a payment made under the Vaccine Damage Payments Act 1979;”;

- (c) in the definition of “qualifying person”, for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.
- (3) In regulation 107(5A) (notional income), after sub-paragraph (c) insert—
- “(d) a Post Office compensation payment.”.
- (4) In regulation 112(8)(b) (income treated as capital), after paragraph (iii) insert—
- “(iv) Post Office compensation payment.”.
- (5) In regulation 115(5A) (notional capital), after sub-paragraph (c) insert—
- “(d) a Post Office compensation payment;
 - (e) a vaccine damage payment.”.
- (6) In Schedule 6 (housing costs), in paragraph 19(8)(b) (non-dependant deductions), for “or Windrush payment” substitute “, Windrush payment or Post Office compensation payment”.
- (7) In Schedule 8 (sums to be disregarded in the calculation of income other than earnings), in paragraph 41—
- (a) in sub-paragraph (1A), after paragraph (c) insert—
 - “(d) Post Office compensation payment.”;
 - (b) in each of sub-paragraphs (2) to (6), for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.
- (8) In Schedule 9 (capital to be disregarded), in paragraph 27—
- (a) in sub-paragraph (1A), after “Windrush payment” insert “, Post Office compensation payment or vaccine damage payment”;
 - (b) in each of sub-paragraphs (2) to (6), for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”.

Amendment of the Universal Credit Regulations 2013

8.—(1) The Universal Credit Regulations 2013(**22**) are amended as follows.

(2) In regulation 76 (special schemes for compensation etc.)—

(a) omit paragraph (1)(a)(vi);

(b) in paragraph (1A)—

(i) omit sub-paragraph (c);

(ii) after sub-paragraph (d) insert—

“(e) the Post Office or the Secretary of State for the purpose of providing compensation or support which is—

(21) [2019] EWHC 606 (QB).

(22) S.I. 2013/376. Relevant amending instruments are S.I. 2020/618 and 2021/1405.

- (i) in connection with the failings of the Horizon system; or
 - (ii) otherwise payable following the judgment in *Bates and Others v Post Office Ltd* ((No. 3) “Common Issues”)(**23**).”;
- (c) after paragraph (1A) insert—
- “(1B) This regulation also applies where a person receives a payment made for the purpose of providing compensation or support in respect of the fire on 14th June 2017 at Grenfell Tower.
- (1C) This regulation also applies where a person—
- (a) receives a vaccine damage payment or is a person for whose benefit a vaccine damage payment is made;
 - (b) is the partner(**24**) of a person referred to in sub-paragraph (a) and receives a payment by or on behalf of that person which is derived from a vaccine damage payment;
 - (c) was the partner of a person referred to in sub-paragraph (a) immediately before the latter’s death and receives a payment from their estate which is derived from a vaccine damage payment;
 - (d) in a case where a vaccine damage payment is made to the personal representative of a person who was severely disabled as a result of vaccination (“P”), was P’s partner immediately before P’s death and receives a payment from P’s estate which is derived from a vaccine damage payment.”;
- (d) after paragraph (3) insert—
- “(4) In this regulation—
- “the Horizon system” means any version of the computer system used by the Post Office known as Horizon, Horizon Legacy, Horizon Online or HNG-X;
- “the Post Office” means Post Office Limited (registered number 02154540);
- “vaccine damage payment” means a payment made under the Vaccine Damage Payments Act 1979.”.

Amendment of the Social Security (Recovery of Benefits) Regulations 1997

9. In the Social Security (Recovery of Benefits) Regulations 1997(**25**), in regulation 2 (exempted trusts and payments)—

- (a) in paragraph (2), after sub-paragraph (r) insert—
 - “(s) any payment made for the purpose of providing compensation or support in respect of the fire on 14th June 2017 at Grenfell Tower;
 - (t) any payment made by the Post Office or the Secretary of State for the purpose of providing compensation or support which is—
 - (i) in connection with the failings of the Horizon system; or
 - (ii) otherwise payable following the judgment in *Bates and Others v Post Office Ltd* ((No. 3) “Common Issues”)(**26**).”;
- (b) after paragraph (2) insert—
 - “(3) In this regulation—

(23) [2019] EWHC 606 (QB).

(24) See regulation 2 of the Universal Credit Regulations 2013 for the definition of “partner”.

(25) S.I. 1997/2205. Relevant amending instrument is S.I. 2021/1405.

(26) [2019] EWHC 606 (QB).

“the Horizon system” means any version of the computer system used by the Post Office known as Horizon, Horizon Legacy, Horizon Online or HNG-X;

“the Post Office” means Post Office Limited (registered number 02154540).”.

Amendment of the Social Security (Recovery of Benefits) (Lump Sum Payments) Regulations 2008

10. In the Social Security (Recovery of Benefits) (Lump Sum Payments) Regulations 2008⁽²⁷⁾, in regulation 7 (exempted trusts and payments)—

(a) in paragraph (2), after sub-paragraph (o) insert—

“(p) any payment made for the purpose of providing compensation or support in respect of the fire on 14th June 2017 at Grenfell Tower;

(q) any payment made by the Post Office or the Secretary of State for the purpose of providing compensation or support which is—

(i) in connection with the failings of the Horizon system; or

(ii) otherwise payable following the judgment in *Bates and Others v Post Office Ltd* ((No. 3) “Common Issues”)⁽²⁸⁾.”;

(b) after paragraph (2) insert—

“(3) In this regulation—

“the Horizon system” means any version of the computer system used by the Post Office known as Horizon, Horizon Legacy, Horizon Online or HNG-X;

“the Post Office” means Post Office Limited (registered number 02154540).”.

Signed by authority of the Secretary of State for Work and Pensions

12th June 2023

Guy Opperman
Minister of State
Department for Work and Pensions

⁽²⁷⁾ S.I. 2008/1596. Relevant amending instrument is S.I. 2021/1405.

⁽²⁸⁾ [2019] EWHC 606 (QB).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

Regulations 2 to 8 amend respectively the Income Support (General) Regulations 1987 (S.I. 1987/1967), the Jobseeker's Allowance Regulations 1996 (S.I. 1996/207), the State Pension Credit Regulations 2002 (S.I. 2002/1792), the Housing Benefit Regulations 2006 (S.I. 2006/213), the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (S.I. 2006/214), the Employment and Support Allowance Regulations 2008 (S.I. 2008/794), and the Universal Credit Regulations 2013 (S.I. 2013/376).

In particular, they amend as appropriate provisions regarding which payments are to be disregarded as income and capital for the purposes of calculating entitlement to benefits in order to:

- expand the existing disregard relating to the fire at Grenfell Tower on 17th June 2017 to cover any payment made to provide compensation or support in respect of the fire,
- create a new disregard in relation to payments made by the Secretary of State or the Post Office for the purpose of providing compensation or support in connection with the failings of the Post Office Horizon computer system or otherwise payable following the judgment in *Bates and Others v. Post Office Ltd* ((No. 3) “Common Issues”) [2019] EWHC 606 (QB), and
- create a new disregard in relation to payments made under the Vaccine Damage Payments Act 1979 (c. 17).

Regulations 9 and 10 amend respectively the Social Security (Recovery of Benefits) Regulations 1997 (S.I. 1997/2205) and the Social Security (Recovery of Benefits) (Lump Sum Payments) Regulations 2008 (S.I. 2008/1596) to exempt Grenfell Tower payments and Post Office from the compensation recovery schemes established under the Social Security (Recovery of Benefits) Act 1997 (c. 27).

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.