

**48<sup>th</sup>**  
**ANNUAL REPORT ON RATIFIED PARTS OF THE**  
**EUROPEAN CODE OF SOCIAL SECURITY**  
**MADE BY THE**  
**UNITED KINGDOM**  
**TO THE COUNCIL OF EUROPE AT STRASBOURG**  
**FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2016**

**THE UNITED KINGDOM HAS RATIFIED PARTS II, III, IV, V AND VII**

## LEGISLATION

Separate, but corresponding, schemes of Social Security operate in Great Britain and Northern Ireland. Reciprocal arrangements between the two ensure that the schemes effectively operate as a single system. The law governing Social Security in Great Britain was amended during the reference period by the measures listed below. Corresponding legislation came into effect in Northern Ireland as listed after the GB measures. Benefit levels are maintained in parity with Great Britain and all rates quoted therefore apply equally.

Copies of the original text of Acts, Regulations and Orders can be viewed at the Government's website<sup>1</sup>. Statutory Instruments (SIs) and Statutory Rules (SRs) can be traced by their year of publication and SI/SR Number quoted below. The complete Law on Social Security, as it currently applies in Great Britain, as amended and updated, is published as the "Blue Volumes" and is now available on line via the Department for Work and Pensions' website<sup>2</sup>. Guidance on how to navigate the respective volumes is also available there. Corresponding Social Security legislation that has effect in Northern Ireland can be viewed at the Department for Communities website<sup>3</sup>.

### Acts of Parliament

Primary legislation relevant to the benefits covered by the Report and introduced during the reference period includes:

2011

- Pensions Act 2011  
[http://www.legislation.gov.uk/ukpga/2011/19/pdfs/ukpga\\_20110019\\_en.pdf](http://www.legislation.gov.uk/ukpga/2011/19/pdfs/ukpga_20110019_en.pdf)

2012

- Health and Social Care Act 2012  
[http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga\\_20120005\\_310516\\_en.pdf](http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga_20120005_310516_en.pdf)
- Welfare Reform Act 2012  
[http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga\\_20120005\\_310516\\_en.pdf](http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga_20120005_310516_en.pdf)

2013

- Enterprise and Regulatory Reform Act 2013, section 72 - abolition of the Agricultural Wages Board in England only (ceased to have effect after 30 September 2013).  
[http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga\\_20120005\\_310516\\_en.pdf](http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga_20120005_310516_en.pdf)
- Welfare Benefits Up-rating Act 2013  
[http://www.legislation.gov.uk/ukpga/2016/7/pdfs/ukpga\\_20160007\\_en.pdf](http://www.legislation.gov.uk/ukpga/2016/7/pdfs/ukpga_20160007_en.pdf)

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<sup>1</sup> <http://www.opsi.gov.uk/legislation/index.htm>

<sup>2</sup> <http://www.dwp.gov.uk/publications/specialist-guides/law-volumes/the-law-relating-to-social-security/>

<sup>3</sup> <https://www.communities-ni.gov.uk/services/law-relating-social-security>

2014

- Agricultural Sector (Wales) Act  
[http://www.legislation.gov.uk/anaw/2014/6/pdfs/anaw\\_20140006\\_mi.pdf](http://www.legislation.gov.uk/anaw/2014/6/pdfs/anaw_20140006_mi.pdf)
- Pensions Act 2014  
[http://www.legislation.gov.uk/ukpga/2014/19/pdfs/ukpga\\_20140019\\_en.pdf](http://www.legislation.gov.uk/ukpga/2014/19/pdfs/ukpga_20140019_en.pdf)
- Welfare Reform and Work Act 2016  
[http://www.legislation.gov.uk/ukpga/2016/7/pdfs/ukpga\\_20160007\\_en.pdf](http://www.legislation.gov.uk/ukpga/2016/7/pdfs/ukpga_20160007_en.pdf)

## Statutory Instruments

An alphabetical list of all current secondary legislation, i.e. Regulations and Orders in the form of Statutory Instruments, is available via the link below<sup>4</sup>.

All secondary legislation introduced during the five years of the reporting period can be viewed via links in the chronological bookmarks in the left hand side-bar of the list.

The rates of Social Security benefits payable under the respective Parts of the Code were increased during the reference period by the following instruments:

2012

- The Social Security Benefits Up-rating Order 2012 (SI 2012 No 819, NI Equivalent SR 2012 No 116)

2013

- The Social Security Benefits Up-rating Order 2013 (SI 2013 No 574, NI Equivalent SR 2013 No 69)

2014

- The Welfare Benefits Up-rating Order 2014 (SI 2014 No 147, NI Equivalent SR 2014 No.80)
- The Social Security Benefits Up-rating Order 2014 (SI 2014 No 618, NI Equivalent SR 2014 No 78)

2015

- The Welfare Benefits Up-rating Order 2015 (SI 2015 No 124)
- The Social Security Benefits Up-rating Order 2015 (SI 2015 No 457, NI Equivalent SR 2015 No 124)
- Uprating orders Welfare Benefits Up-rating Order 2015 (SI 2015 No 30, NI Equivalent SR 2015 No 139)
- Agricultural Wages (Scotland) Order (SR 2015 No 63)

2016

- The Social Security Benefits Up-rating Order 2016 (SI 2016 No 246 NI Equivalent SR 2016 No 92)

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<sup>4</sup> <http://www.dwp.gov.uk/docs/c-0031.pdf>

The following instruments of relevance are also mentioned in the report:

2011

- Employment and Support Allowance (Limited Capability for Work and Limited Capability for Work-Related Activity) (Amendment) Regulations 2011(SI 2011 No 228, NI Equivalent SR 2011 No 76)
- Employment and Support Allowance (Work-Related Activity) Regulations 2011 (SI 2011 No 1349, NI Equivalent SR 2011 No 265)

2012

- Employment and Support Allowance (Amendment) Regulations 2012 (SI 2012 No 3096, NI Equivalent SR 2013 No 2)
- Employment and Support Allowance (Amendment of Linking Rules) Regulations 2012 (SI 2012 No 919, NI Equivalent SR 2016 No 176)
- Employment and Support Allowance (Sanctions) (Amendment) Regulations 2012 (SI 2012 No 2756, NI Equivalent SR 2016 No 240)

2013

- Job Seekers Allowance Regulations 2013 (2013 No 378)
- Employment and Support Allowance Regulations 2013 (SI 2013 No 379, NI Equivalent SR 2016 No 219)
- Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Decisions and Appeals) Regulations 2013 (SI 2012 No 381, NI Equivalent SR 2016 No 221)
- Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013 (SI 2012 No 381, NI Equivalent SR 2016 No 220)

2014

- Statutory Sick Pay (Maintenance of Records) (Revocation) Regulations 2014 (SI 2014 No 55)
- Statutory Sick Pay Percentage Threshold (Revocations, Transitional and Saving Provisions) (Great Britain and Northern Ireland) Order 2014 (SI 2014 No 897)

2015

- Employment and Support Allowance (repeat Assessments and Pending Appeal Awards) (Amendment) Regulations 2015 (SI 2015 No 437)

2016

- Agricultural Wages (Wales) Order 2016 (SI 2016 No 107)

## PART II MEDICAL CARE

### Legislative Changes

2012

- Health and Social Care Act 2012  
[http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga\\_20120005\\_310516\\_en.pdf](http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga_20120005_310516_en.pdf)

1. The Health and Social Care Act 2012 introduced a new structure to the NHS, including setting up the NHS Commissioning Board, known as NHS England.
2. From April 2013, NHS England became responsible for the commissioning of NHS primary medical services in England.
3. In October 2014, the NHS Five Year Forward View was published. This sets out a vision for the future of the NHS and included new models of care, setting out proposed models that reflect the different structures, populations and localities. This is important, as the diversity of the NHS will not lend itself to a “one size fits all” model. Government is making £200 million available to pilot some of the new models of care set out in the *Five Year Forward View*.
4. On 21st April 2016, NHS England published the GP Forward View, a package of support to help get general practice back on its feet, improve patient care and access, and invest in new ways of providing primary care.
5. The GP Forward View sets out that we are investing an extra £2.4 billion a year for general practice services by 2020/21 – this represents a 14% increase in real terms. The overall investment for general practice includes a £500 million national 'turnaround' package to support GP practices.
6. This is part of a wider package of support for general practice, which contains measures to help boost the workforce, drive efficiencies in workload and modernize primary care infrastructure and technology.
7. The table below shows investment in general practice in England from 2010/11 to 2014/15.

Finance Monitoring: England	2010/11 Outturn £000s	2011/12 Outturn £000s	2012/13 Outturn £000s	2013/14 Outturn £000s	2014/15 Outturn £000s
Total payments for essential & additional services	4,372,287	4,366,855	4,370,320	4,478,229	4,792,294
Quality & Outcomes Framework	1,095,532	1,141,612	1,191,498	1,057,418	664,456
Total other payments	1,286,251	1,333,831	1,376,502	1,528,803	1,682,684
Total Enhanced Services	789,079	764,420	751,364	849,928	1,013,497
Total Net of Dispensing	7,543,149	7,606,718	7,689,684	7,914,378	8,152,931
Total Investment Excluding Reimbursement of Drugs	7,708,548	7,774,469	7,863,838	8,093,357	8,336,207
<b>TOTAL NHS SPEND</b>	<b>8,349,528</b>	<b>8,397,044</b>	<b>8,459,261</b>	<b>8,689,883</b>	<b>8,938,743</b>
<b>TOTAL SPEND</b>	<b>8,349,528</b>	<b>8,397,044</b>	<b>8,459,261</b>	<b>8,766,110</b>	<b>9,001,046</b>

8. Changes to the structure of the NHS in April 2013 mean that some areas of funding are not directly comparable. All figures, unless clearly stated as provisional, are based on actual reported spend.

9. Since 2013/14 Investment in Public Health by Local Authorities has moved from PCT to Local Authority control. NHS Health Checks for 40-70 year olds were part of Local Authority Public Health responsibilities from 2013/14 onwards.

10. Details of the Prime Minister's Challenge Fund, now known as the Prime Minister's GP Access Fund, can be found at: <https://www.england.nhs.uk/ourwork/futurenhs/pm-ext-access/>

### **United Kingdom**

11. The report 'Investment in General Practice 2010/11 to 2014/15 for England, Wales, Northern Ireland and Scotland'<sup>5</sup> sets out detail of investment in general practice throughout the whole of the United Kingdom and is available through the Information Centre for health and social care website.

12. For the period 2014/15

- £9,001.0m in England, compared to £8,766.1m in 2013/14 (an increase of 2.68 per cent).
- £478.1m in Wales, compared to £475.7m in 2013/14 (an increase of 0.50 per cent).
- £255.2m in Northern Ireland, compared to £249.9m in 2013/14 (an increase of 2.12 per cent).

<sup>5</sup> <http://www.hscic.gov.uk/catalogue/PUB18469/inve-gene-prac-eng-wal-ni-scot-10-15-rep.pdf>

- £809.9m in Scotland, compared to £802.9m in 2013/14 (an increase of 0.88 per cent).
- £10,544.3m in the UK, compared to £10,294.6m in 2013/14 (an increase of 2.43 per cent).

## Resident population

ONS Population estimates<sup>6</sup> for mid year 2015 - United Kingdom

All ages	Persons	65.1millions
	Males	32.1m
	Female	33.0m

Definition of resident population:

The estimated resident population of an area includes all people who usually live there, whatever their nationality. People arriving into an area from outside the UK are only included in the population estimates if their total stay in the UK is 12 months or more. Visitors and short-term migrants (those who enter the UK for 3 to 12 months for certain purposes) are not included. Similarly, people who leave the UK are only excluded from the population estimates if they remain outside the UK for 12 months or more. This is consistent with the United Nations recommended definition of an international long-term migrant. Members of UK and non-UK armed forces stationed in the UK are included in the population and UK forces stationed outside the UK are excluded. Students are taken to be resident at their term time address.

## Statistics

Details of Statistics & data collections, during the reporting period, on the subjects set out below can be viewed via the following link:

<http://www.ic.nhs.uk/statistics-and-data-collections>

**Audits and performance:** (complaints; ambulance response times; quality and outcomes framework and clinical audits);

**Health and lifestyles:** (alcohol consumption, drug misuse, smoking, contraception, physical activity, diet, diabetes and mental health and other surveys).

**Hospital care:** (cancer, coronary heart disease and maternity and also hospital and outpatient activity).

**Mental health:** (NHS specialist mental health services, uses of the Mental Health Act 1983 and other related information).

**Population, geography and international:** (neighbourhood, international, public

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<sup>6</sup> <http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=601>

health and population statistics).

**Primary care:** (GPs, dentists, opticians, pharmacies and prescribed drugs, plus pay and expenses information).

**Screening:** (includes statistics on breast and cervical cancer screening).

**Social care:** (Adult social care, carer support, learning disability, older people, disability, children's social services and user surveys).

**Workforce:** (information on the NHS and social care workforce including vacancies, turnover, sickness and absence).

## **PART III SICKNESS BENEFIT**

### **Statutory Sick Pay (SSP) & Employment and Support Allowance (ESA (C))**

#### Legislative Changes

##### 2011

- Employment and Support Allowance (Limited Capability for Work and Limited Capability for Work-Related Activity) (Amendment) Regulations 2011(SI 2011 No 228)
- Employment and Support Allowance (Work-Related Activity) Regulations 2011 (SI 2011 No 1349)

##### 2012

- Employment and Support Allowance (Amendment) Regulations 2012 (SI 2012 No 3096)
- Employment and Support Allowance (Amendment of Linking Rules) Regulations 2012 (SI 2012 No 919)
- Employment and Support Allowance (Sanctions) (Amendment) Regulations 2012 (SI 2012 No 2756)

##### 2013

- Enterprise and Regulatory Reform Act 2013, section 72 - abolition of the Agricultural Wages Board in England only (ceased to have effect after 30 September 2013)
- Employment and Support Allowance Regulations 2013 (SI 2013 No 379)
- Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Decisions and Appeals) Regulations 2013 (SI 2012 No 381, NI Equivalent SR 2016 No 221)
- Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013 (SI 2012 No 381, NI Equivalent SR 2016 No 220)

##### 2014

- Agricultural Sector (Wales) Act  
[http://www.legislation.gov.uk/anaw/2014/6/pdfs/anaw\\_20140006\\_mi.pdf](http://www.legislation.gov.uk/anaw/2014/6/pdfs/anaw_20140006_mi.pdf)
- Statutory Sick Pay Percentage Threshold (Revocations, Transitional and Saving Provisions) (Great Britain and Northern Ireland) Order 2014 (SI 2014 No 897)
- Statutory Sick Pay (Maintenance of Records) (Revocation) Regulations 2014 (SI 2014 No. 55)

##### 2015

- Uprating orders Welfare Benefits Up-rating Order 2015 (SI 2015 No 30)  
The rate of SSP, as set out in s157(1) SSCBA 1992, has been uprated on an annual basis between 2011 and 2015. This Order contains the latest rate.
- Employment and Support Allowance (repeat Assessments and Pending Appeal Awards) (Amendment) Regulations 2015 (SI 2015 No 437)
- Agricultural Wages (Scotland) Order (SR 2015 No 63)

2016

- Agricultural Wages (Wales) Order 2016 (SI 2016 No 107)

### **Statutory Sick Pay (SSP)**

1. In the event of incapacity for work, and subject to fulfilling entitlement conditions, employed workers are paid SSP by their employers for the first 28 weeks of incapacity. Once entitlement to SSP has been exhausted employees are able to transfer on to the new Employment and Support Allowance (ESA). Workers, including the self-employed, who do not qualify for SSP can claim ESA from the outset
2. The Agricultural Wages Board set rates of pay and other terms and conditions for agricultural workers, including Agricultural Sick Pay. These terms and conditions were set out in Agricultural Wages Orders. The Agricultural Wages Board was abolished by the Enterprise and Regulatory Reform Act 2013. The last Agricultural Wages (England and Wales) Order was made in 2012 Information about the Order can be accessed here: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/69594/awo2012-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69594/awo2012-guidance.pdf)
3. The Percentage Threshold Scheme, which enabled employers to recover amounts of SSP from Her Majesty's Revenue and Customs, was abolished by the Statutory Sick Pay Percentage Threshold (Revocations, Transitional and Saving Provisions) (Great Britain and Northern Ireland) Order 2014 (SI 2014/897) The closure of the scheme for late claims following end of 15/16 tax year was on 5 April 2016.
4. Regulation 13 of the Statutory Sick Pay (General) Regulations 1982, which required employers to keep specified records relating to sickness absence and SSP payments was revoked by the Statutory Sick Pay (Maintenance of Records) (Revocation) Regulations 2014. These requirements became redundant following abolition of the Percentage Threshold Scheme. The change came into force on 6 April 2014. This also reduced regulatory requirements for employers. Both this change and change 3 above were made following recommendations of the Independent Review of Sickness Absence conducted by Dame Carol Black and David Frost CBE, published in November 2011. The Government response which was published in January 2013 accepted these recommendations.
5. Agricultural Wages (Wales) Order 2016 replaced, (for Wales only), the Agricultural Wages Order 2012 (which applied to both England and Wales) in accordance with the Agricultural Sector (Wales) Act 2014. It sets out the circumstances in which an agricultural worker in Wales is entitled to agricultural sick pay, and makes provision about calculating the amount of sick pay that they are entitled to. It provides that a payment of SSP is to count towards an agricultural worker's entitlement to agricultural sick pay.
6. The Agricultural Wages (Scotland) Order (No 63) 2015 sets out the circumstances In which an agricultural workers in Scotland is entitled to

Agricultural Sick Pay (ASP), and makes provision about calculating the amount of ASP that an employee is entitled to when they have been in continuous employment with the same employer for at least 52 weeks. After a period of 13 weeks ASP an agricultural worker would be, if they are still sick, entitled to SSP. Agricultural workers who have worked less than 52 weeks are entitled to SSP only.

### **SSP rates and Lower Earnings Limit from 6 April (GB£)**

	2012	2013	2014	2015	2016
SSP	£85.85	£86.70	£87.55	£88.45	£88.45
LEL	£107.00	£109.00	£111.00	£112.00	£112.00

SSP and tax is uprated in line with benefit and tax annual uprating. Following the freeze on uprating for the majority of Working Age Benefits introduced by the Welfare Reform and Work Act 2016, most benefits are not going to be generally updated for 4 years. SSP is exempt from the freeze but was not uprated in 2016 as no increase was required to keep in line with the Consumer Price Index (CPI).

### **Employment and Support Allowance (ESA(C))**

The main statutory instruments relevant to Employment and Support Allowance (ESA) in this reporting period are as follows:

7. In 2011 legislation was amended so that certain claimants, including hospital in-patients, those attending residential rehabilitation for the treatment of drug or alcohol addiction, and persons likely to receive chemotherapy treatment within 6 months after the date of the determination could be treated as having limited capability for work or limited capability for work-related activity.
8. Also in 2011 legislation set out the circumstances in which ESA claimants may be required to undertake work-related activity and who such a requirement may be applied to. It made clear that a requirement must be reasonable, having regard to the person's circumstances, and may not require the person to apply for a job, undertake work or undergo medical treatment as part of the work-related activity requirement. It also provided that a lone parent with a child under the age of 13 may only be required to undertake work related activity during normal school hours.
9. In 2012 amendment regulations clarified areas of the work capability assessment which were open to misunderstanding. They made the process easier to understand for claimants and assessors. Changes included taking account of reasonable aids, separation of physical and mental health descriptors, clarifying the term 'in-patient', refining wording in the continence descriptors, and clarifying the standing and sitting, manual dexterity, understanding communication, and getting about activities.
10. Also in 2012 regulations amended the previous rule that allowed periods of limited capability for work, separated from another such period by not more than 104 weeks, is to be treated as a continuation of the earlier period.

11. Further regulations introduced a revised sanctions regime for ESA claimants, who would only be subject to lower level sanctions to be applied when claimants failed to comply with requirements that would improve their chances of preparing for work, without showing they had good reason. A hardship regime was also introduced for claimants that were subject to a sanction.
12. In 2013 regulations removed from legislation references to income-related Employment and Support Allowance, to take account of the roll-out of Universal Credit which was merging various income-related benefits, including income-related Employment and Support Allowance.
13. In 2015 the criteria by which claimants could re-apply for Employment and Support Allowance, following a previous claim where the Work Capability Assessment determined that they did not have Limited Capability for Work, were amended. Following this change claimants had to demonstrate that they had a different health condition to that which the reason for their previous claim, or that that health condition had significantly deteriorated. The aim was to end the 'looping' of claimants into and out of the claims process for Employment and Support Allowance, and instead directs them towards claiming Jobseeker's Allowance, where they can be given the appropriate support to look for work.

### **The Work Capability Assessment (WCA)**

14. Existing incapacity benefits customers are being reassessed using the WCA which is a key factor in determining eligibility for ESA.
15. The WCA was introduced in October 2008 to assess entitlement to ESA. It replaced the Personal Capability Assessment used to assess entitlement to incapacity benefits (IB).
16. The WCA is a functional assessment that looks at what people can do, as well as what they can't, to identify people for the correct benefit and give them the support they need to get back to work and avoid ending up on long-term sickness benefits. This approach is based on the principle that a health condition or disability should not automatically be regarded as a barrier to work. There is strong evidence that work is good for physical and mental well-being, and that being out of work can contribute to poorer health and other negative outcomes. So, whilst the Government does not want to make it harder for people who genuinely can't work, it does want to engage as many people as possible in employment.
17. The Government is committed to continuously improving the WCA to ensure that it is as fair and accurate as possible. As part of this, the Government had a statutory commitment to independently review the WCA annually for the first five years of its operation. Professor Malcolm Harrington, a highly respected Occupational Physician, carried out the first three reviews in 2010, 2011 and 2012. Dr Paul Litchfield, Chief Medical Officer for BT Group conducted the fourth and fifth reviews in 2013 and 2014, The Government accepted the vast majority

of the recommendations that came out of the five independent reviews.

18. In addition, a Department-led review reported in March 2010 and its recommendations have been implemented. These include taking better account of the effects of exhaustion and making greater provision for people awaiting, or in between courses of, chemotherapy. The improvements as a result of this review came in to force on 28 March 2011.

19. Further information on the Work Capability Assessment independent review is available at:

<https://www.gov.uk/government/publications/2010-to-2015-government-policy-welfare-reform/2010-to-2015-government-policy-welfare-reform>

## **Research and Reports**

Routes onto Employment and Support Allowance (published in 2010)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/214556/rrep774.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214556/rrep774.pdf)

Employment and Support Allowance: Customer and staff experiences of the face-to-face Work Capability Assessment and Work-Focused Health-Related Assessment (published in 2010)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/214494/rrep719.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214494/rrep719.pdf)

Employment and Support Allowance: Findings from a follow-up survey with customers (published in 2011)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/214519/rrep745.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214519/rrep745.pdf)

Decision making on Employment and Support Allowance claims (published in 2012)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/214575/rrep788.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214575/rrep788.pdf)

A survey of disabled working age benefit claimants (published in 2013)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/224543/hr\\_16\\_v2.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224543/hr_16_v2.pdf)

Evidence Based Review of the Work Capability Assessment (published in 2013)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/331582/wca-evidence-based-review.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/331582/wca-evidence-based-review.pdf)

Understanding the journeys from work to Employment and Support Allowance (ESA) (published in 2015)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/436420/r902-understanding-journeys-from-work-to-esa.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/436420/r902-understanding-journeys-from-work-to-esa.pdf)

An Independent Review of the Work Capability Assessment (published in 2010)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/70071/wca-review-2010.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/70071/wca-review-2010.pdf)

An Independent Review of the Work Capability Assessment – year two (published in 2011)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/70102/wca-review-2011.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/70102/wca-review-2011.pdf)

An Independent Review of the Work Capability Assessment – year three (published in 2012)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/70123/wca-review-2012.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/70123/wca-review-2012.pdf)

An Independent Review of the Work Capability Assessment – year four (published in 2013)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/265351/work-capability-assessment-year-4-paul-litchfield.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/265351/work-capability-assessment-year-4-paul-litchfield.pdf)

An Independent Review of the Work Capability Assessment – year five (published in 2014)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/380027/wca-fifth-independent-review.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/380027/wca-fifth-independent-review.pdf)

## Article 15

**Questions (a) to (c)** <sup>No change</sup>

(ii) TITLE II (Article 76)

- A. Number of economically active persons protected –
  - i. Under General scheme 30,512,000 (including Northern Ireland)<sup>a</sup>
  - ii. Under special scheme nil
- B. Total number of residents 65,110,000<sup>b</sup>
- C. Percentage A/B 46.86%

Sources: (A) Contributions and Qualifying Years – persons paying Class 1 and or Class 2 National Insurance Contributions 2014/15; and

(B) ONS Population estimates<sup>7</sup> for mid year 2015 - United Kingdom.

## Article 16

**Question A.** (ii)

Title II (Article 66)

Option 4

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<sup>7</sup> <http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=601>

For the purposes of Article 66 Code the reference wage is **£371.70 per week**, being the median gross weekly earning (excluding overtime) for full-time male employees who are classified as unskilled labourers in the manufacture of machinery other than electrical machinery (SOC 91 and SIC 28), Annual Survey of Hours and Earnings (ASHE) 2014-2015<sup>8</sup>.

C. Sickness Benefit (2016/17 rates)

ESA(C)

Week 1-13	£73.10 - personal allowance
Week 14 onwards	£102.15- including WRA component
Week 14 onwards	£109.30 - including Support component

Statutory Sick Pay (SSP) Week 1-28      £88.45

D	£151.90
E	£151.90

D & E comprise: £20.70 Child Benefit for the eldest qualifying child; £13.70 for the second qualifying child and Child Tax Credit of £117.50, in respect of both children.

TITLE V (Article 66)

C. Sickness Benefit

SSP	(a) £88.45	maximum of 28 weeks
ESA(C)	(b) £73.10	Week 1 – 13*; then either:
	(c) £102.15	Week 14 (or WCA) onwards <sup>1</sup> ; or
	(d) £109.30	Week 14 (or WCA) onwards <sup>2</sup>

Notes \* or to week of WCA if earlier

<sup>1</sup> The work-related activity component was abolished from April 2017

<sup>2</sup> includes support component

D.      £151.90

E.      £151.90

F.      (a) 45.9%  
           (b) 43.0%  
           (c) 48.5%  
           (d) 49.9%

<sup>8</sup> <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/adhoc/s/004242weeklypayexcludingovertimeforsoc91andsic282014to2015>

## **PART IV UNEMPLOYMENT BENEFITS**

### Legislative Changes

2013

- Job Seekers Allowance Regulations 2013 (2013 No 378)

In 2013 JSA 'new style' was introduced. It is a contribution-based only benefit available to claimants alongside Universal Credit.

### **Article 21**

#### **Question C (i)**

TITLE I (Article 76)

- |     |   |   |
|-----|---|---|
| A.  | Number of economically active persons protected – |   |
| i.  | Under general scheme                              | 28,299,000(including Northern Ireland) <sup>a</sup> |
| ii. | Under special scheme                              | nil   |
| B.  | Total number of employees                         | 31,420,000 <sup>b</sup>                             |
| C.  | Percentage A/B                                    | 90%   |

Sources: (A) Contributions and Qualifying Years – persons paying Class 1 National Insurance Contributions 2014/15; and

(B) ONS Labour Market Stats for mid year 2015 - United Kingdom.

### **Article 22**

TITLE V (Article 66)

#### **Question A (ii)**

Title I (Article 66)

- B. £371.70 per week

Title II (Article 66) Jobseeker's Allowance (contribution based) 2016/17 rates

- |    |                 |             |
|----|-----------------|-------------|
| C. | JSA             | (a) £73.10  |
|    | JSA Joint Claim | (b) £114.85 |

Anyone who claims JSA who is part of a couple would receive the higher amount if neither of them were working or if their partner was working less than 24 hours a week.

- D. £151.90  
E. £151.90  
F. (a) 43.0%

(b) 50.9%

D & E comprise: £20.70 Child benefit for the eldest qualifying child; £13.70 for the second qualifying child and Child Tax Credit of £117.50, in respect of both children.

## **PART V OLD AGE BENEFIT**

### Legislative changes

2011

- Pensions Act 2011  
[http://www.legislation.gov.uk/ukpga/2011/19/pdfs/ukpga\\_20110019\\_en.pdf](http://www.legislation.gov.uk/ukpga/2011/19/pdfs/ukpga_20110019_en.pdf)

2014

- Pensions Act 2014  
[http://www.legislation.gov.uk/ukpga/2014/19/pdfs/ukpga\\_20140019\\_en.pdf](http://www.legislation.gov.uk/ukpga/2014/19/pdfs/ukpga_20140019_en.pdf)
- Welfare Benefits Up-rating Act 2013  
[http://www.legislation.gov.uk/ukpga/2016/7/pdfs/ukpga\\_20160007\\_en.pdf](http://www.legislation.gov.uk/ukpga/2016/7/pdfs/ukpga_20160007_en.pdf)

1. In January 2013 the UK Government published a Command Paper which outlined how the UK Government intended to replace the current two-component state pension (basic State Pension and earnings-related additional State Pension) with a single component flat-rate pension set above the basic level of means-tested support for future pensioners.
2. Subsequently, the Pensions Act 2014 introduced the new State Pension for people reaching state pension age on or after 6 April 2016, radically simplifying state pension provision.
3. Qualification for the new state pension is based on an individual's National Insurance record, with a minimum qualifying period of 10 years usually required to receive any pension. In steady state, the full rate of the new State Pension (previously referred to as the single-tier pension) will be based on 35 qualifying years of National Insurance contributions or credits. Transitional arrangements are in place for those who have qualifying years before 6 April 2016.
4. The new State Pension will cost no more overall than the previous system, but will restructure the system to provide clarity and confidence to help people plan for their retirement.

### **State Second Pension**

5. The State Second Pension (also known as additional State Pension) ended in April 2016 and with it the ability to contract out of the State Second Pension. Up until this point some people were contracted out of the State Second Pension into a private or workplace pension. While the additional State Pension has ended it will remain in payment, to those with entitlement who reached state pension age before 6 April 2016. A proportion of an additional State Pension can be inherited by surviving wives, husbands and civil partners beyond April 2016.

## State Pension age

6. Under the Pensions Act 2011 State Pension age for women will gradually increase from 60 to 65 between 2010 and 2018. Then, between 2018 and 2020, State Pension age will increase from 65 to 66 for both men and women. The State Pension age will increase from 66 to 67 between 2026 and 2028 under the Pensions Act 2014. The timing of the increase from 67 to 68 remains set to happen between 2044 to 2046 as set out in the Pensions Act 2007. The changes in State pension age reflect increasing longevity in society and make the State Pension affordable in the long term.
7. The Pensions Act 2014 contains a framework for further changes to state pension age through a regular review by Government.
8. As part of the review process, the Government is required to commission a report from the Government Actuary's Department looking at the implications of life expectancy data for State Pension age. The legislation also requires Government to commission a further independent report covering other relevant factors. This may include variations in life expectancy between socio-economic groups, and the wider economic context at the time of a review. All reports prepared as part of the review must be published.
9. The Government will publish a report on their review of the state pension age every 6 years. The first review will report to Parliament before 7 May 2017.

## Article 27

### Question B

No change (apart from contribution rates)

### Question C (ii)

(ii) TITLE II (Article 76)

A. Number of economically active persons protected -

i. Under general scheme	30,527,000(including Northern Ireland) <sup>a</sup>
ii. Under special schemes	nil
TOTAL	30,527,000

B. Total number of residents 65,110,000<sup>b</sup>

C. Percentage A/B 46.89%

Sources: (A) Contributions and Qualifying Years – persons paying Class 1, Class 2 and or Class 3 National Insurance Contributions 2014/15<sup>9</sup>; and  
(B) ONS Population estimates for mid year 2015 - United Kingdom.

<sup>9</sup> <http://83.244.183.180/NIRS/live/tabtool.html>

## Article 28

### Question A (ii)

TITLE I (Article 66)

B. £371.70 per week.

TITLE III (Article 66)

C. The standard basic weekly rate of retirement pension received by a married couple is £190.80 (2016/17 rates)

This basic weekly rate of Retirement Pension, for people reaching state pension age before 6 April 2016 comprises £119.30 for a 100% full weekly Retirement Pension payable to a man with 30 qualifying years for himself plus £71.50 in respect of a wife of pension age or a dependent wife under pension age.

D. £151.90

E. £151.90

D and E (where applicable) comprise £20.70 Child Benefit for the eldest qualifying child, £13.70 for the second qualifying and Child Tax Credit of £117.50 in respect of both children. From April 2003 Child Tax Credits replaced Child Dependency Increases payable with State Pension.

F. 65.5 %

TITLE V (Article 66)

C. The weekly rate of retirement pension for a woman employee is £115.90 [2015/2016 rates].

F. 31.9%

## Question C

### TITLE VI (Article 65)

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Period under review (closest published figures)	Cost of living index (RPI) (*)	Index of earnings (**)
A. March 2011	100	100
B. March 2016	18.8	120.2(***)
C. A/B per cent	5.3%	83.2%

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(\*) Retail Price Index (RPI) All items

(\*\*) Annual Survey of Hours and Earnings

(\*\*\*) Latest available data on earnings by occupation is for 2010

### TITLE VI (Article 65)

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Period under review	Benefit	
	Average per beneficiary <sup>+</sup> I	Benefit for standard beneficiary* II
A. March 2011 [2010/11 rates]	see tables below	£97.65
B. March 2016[2015/16 rates]	see tables below	£115.90
C. A/B per cent		84.0%

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\* Personal Benefit – Category A Basic Pension at 100% rate

**Table 1**

State Pension: Average amount of benefit in payment - Time Series by category of pension

Time Series	Total	Cat A *	Cat B	Cat ABL	Cat BL	Cat AB
	Average weekly amount of benefit	Average weekly amount of benefit *	Average weekly amount of benefit			
May-11	110.54	117.33	116.99	64.8	54.74	141.72
May-12	117.99	124.87	124.24	68.22	57.25	150.7
May-13	121.97	128.6	128.35	69.91	58.33	155.52
May-14	126.46	132.68	132.87	71.78	59.53	160.89
May-15	130.3	135.95	136.92	73.43	60.61	165.38
Nov-15 **	130.71	136.03	137.47	73.38	60.49	165.78

“ \* “ Includes Additional Pension and Graduated Benefit. “ \*\* ” Latest available at time of reporting  
Average amounts are shown as pounds per week and rounded to the nearest penny. Totals may not sum due to rounding. Category C & D (non-contributory) Pensions excluded

**SOURCE:** DWP , Data and Analytics, Technology - Work and Pensions Longitudinal Study.

**STATE PENSION AGE:**

The age at which men and women reach State Pension age is gradually increasing. Under current legislation, State Pension age for women will equalise with State Pension age for men at 65 in 2018. Both men's and women's State Pension age will increase from 65 to 66 between December 2018 and October 2020. The Pensions Bill 2013-14 contains provision for a State Pension age of 67 to be reached by 2028. For more information see [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/207966/espa.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207966/espa.pdf).

**Table 2**

State Pension: Average weekly amount of benefit: Category of pension and gender of claimant, November 2010

Nov-2010	Total	Cat A	Cat B	Cat ABL	Cat BL	Cat AB
Gender of claimant	Average weekly amount of benefit					
<b>Total</b>	105.35	112	111.7	62.04	52.5	135.37
<b>Female</b>	93.74	95.39	111.85	62.04	52.5	134.55
<b>Male</b>	124.1	124.18	34	55.8	25.93	143.3

**Table 3**

State Pension: Average weekly amount of benefit: Category of pension and gender of claimant, November 2015 (latest available)

Nov-2015	Total	Cat A	Cat B	Cat ABL	Cat BL	Cat AB
Gender of claimant	Average weekly amount of benefit					
<b>Total</b>	130.71	136.03	137.47	73.38	60.49	165.78
<b>Female</b>	118.08	119.29	137.79	73.5	60.54	164.7
<b>Male</b>	147.68	147.42	35.16	60.31	26.44	172.08

**SOURCE:** DWP , Data and Analytics, Technology - Work and Pensions Longitudinal Study. Categories AB & ABL – based on both own and spouse's/civil partner's contribution records

Categories B and BL - based on spouse's/civil partner's contributions alone.

## **PART VII FAMILY BENEFIT**

### **Article 40**

1. Child Benefit (CHB) is generally payable to all persons who have responsibility for a child, regardless of means. CHB is a non-contributory benefit and is not treated as taxable income.
2. As of January 2013, claimants may be liable to a tax charge called the 'High Income Child Benefit charge'. Being liable for this charge does not affect entitlement to Child Benefit for a child, but anyone receiving Child Benefit is liable to pay a tax charge linked to the amount of Child Benefit if they or their partner has an individual income of more than £50,000 per year. For every additional £100 over the £50,000 threshold that an individual earns, the tax charge due increases by 1%. This means that any claimant receiving a payment of Child Benefit whose income (or partner's income) is over £60,000 will be liable to pay a charge equal to the total amount of Child Benefit received. Alternatively, claimants affected by the High Income Child Benefit charge have the option to opt-out of receiving Child Benefit, thereby ceasing their payments, which means that they are not subject to the tax charge.
3. Child Benefit is paid to those responsible for children (aged under 16) or qualifying young people. The latter includes those:
  - a. in full-time non-advanced education or (from April 2006) on certain approved vocational training courses and who are under 19, or are aged 19 and have been on the same course since their 19<sup>th</sup> birthdays.
  - b. entered for future external examinations, or are in the period between leaving education and the week containing the first Monday in September and are not in work.
  - c. aged under 18 who have moved directly from full-time education to being registered for work or training with the Careers service or with Connexions.
4. Generally, entitlement to CHB does not arise for people whose presence in the UK is subject to immigration control, but protection is given to those recognised as refugees, those with settled status (whose leave to enter or remain in the UK is not subject to any limitation) or with discretionary or humanitarian leave to enter or remain in the UK, or who are within the scope of European Community's Social Security co-ordination regulations Regulation (EEC) 1408/71 and 574/72, by virtue of Regulation (EC) 859/2003 or who are covered by a relevant bilateral social security agreement with another country. Entitlement can arise also for nationals of other states party to the European Convention on Social and Medical Assistance (ETS No 14) and the European Social Charter of 1961 (ETS No 36) who are lawfully present in the UK.
5. The Working Tax Credit (WTC) provides financial support, on top of earnings for in-work households with low incomes who are living in the UK. This is paid to families with or without children. The Child Tax Credit (CTC) is a means-tested form of support for families (with children) who are in or out of work and living in the UK.

6. WTC provides support to in-work households on low incomes and additional support is available for disabled workers. It is payable to the person who is working. The “childcare element” of WTC is paid directly to the main carer of the child or children along with Child Tax Credit.
7. Generally, entitlement to a tax credit does not arise for people whose presence in the UK is subject to immigration control, but protection is given to those recognised as refugees, those with settled status (whose leave to enter or remain in the UK is not subject to any limitation) or with discretionary or humanitarian leave to enter or remain in the UK.
8. Access to CTC can be gained for those who are lawfully working in the UK and a national of a State that has concluded an agreement under Article 310 of the Treaty of Amsterdam amending the Treaty of the EU. In the field of social security, for equal treatment of workers who are nationals of the signatory State and their families. Also, if they come within the scope of European Community’s Social Security co-ordination regulations Regulation (EEC) 1408/71 and 574/72, by virtue of Regulation (EC) 859/2003.
9. Access to WTC is available to nationals of other states party to the European Convention on Social and Medical Assistance (ETS No 14) and the European Social Charter of 1961 (ETS No 36) who are lawfully present in the UK.
10. Further information on eligibility for tax credits and how awards are calculated is published in leaflet WTC 2<sup>10</sup>.
11. In the Summer Budget 2015, the Government announced various measures to ensure the tax credit system is targeted at those who need it most. From 6 April 2016, if a claimant is entitled to Working Tax Credit, whether on its own or in addition to Child Tax Credit, and their family’s annual income is below £3850, they will get the maximum amount of all the elements that they qualify for. If income is over that threshold, the maximum amount will be reduced by 48 pence for every pound of income over the threshold.

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<sup>10</sup> <http://www.hmrc.gov.uk/leaflets/wtc2.pdf>

## Article 41

### Question C

The number of families receiving Child Benefit in the UK for the years covered by this Report are contained in the following table:

#### The Number of Child Benefit recipients – August each year:

	UK
2011/12	7,920
2012/13	7,550
2013/14	7,461
2014/15	7,416

Note: UK totals include foreign and not known.

The number of families receiving Child Tax Credit in the UK for the year 2014/15 was 7.4 million, comprising some 12.8 million children.

## Article 42

#### The Child Tax Credit rates for the period of this Report.

Child Tax Credit	From April 2012	From April 2013	From April 2014	From April 2015	From April 2016
Family element	545	545	545	545	545
Family element, baby addition <sup>1</sup>					
Child element	2,555	2,690	2,720	2,750	2,780
Disabled child element	2,800	2,950	3,015	3,100	3,140
Severely disabled child element	1,130	1,190	1,220	1,255	1,275
Income thresholds and withdrawal rates					
First income threshold	6,420	6,420	6,420	6,420	6,420
First withdrawal rate (per cent)	41	41	41	41	41
Second income threshold <sup>2</sup>	40,000				
Second withdrawal rate (per cent)	41				
First threshold for those entitled to CTC only	15,860	15,860	15,910	16,010	16,105
Income disregard <sup>3</sup>	10,000	10,000	5,000	5,000	5,000

<sup>1</sup>The baby element component was abolished from April 2011.

<sup>2</sup>For those entitled to the Child Tax Credit, the award is reduced only down to the family element less the excess of income over the second threshold multiplied by the second withdrawal rate.

<sup>3</sup>The amount of increase in income disregarded in the calculation of Tax Credit awards has been reduced from £10,000 to £5,000 in April 2013.

### **Child Benefit rates for the period of this Report**

From	Child Benefit
April 2012	£20.30 eldest child
	£13.40 each other child
April 2013	£20.30 eldest child
	£13.40 each other child
April 2014	£20.50 eldest child
	£13.55 each other child
April 2015	£20.70 eldest child
	£13.70 each other child
April 2016	£20.70 eldest child
	£13.70 each other child

### **Article 42**

In order to qualify for Child Benefit and CTC a claimant must have been living in the UK for a consecutive period of 3 months if they moved to the UK on or after 1 July 2014 and don't have a job. There are some exceptions to this rule. Eligibility to Child Benefit and CTC can be found at the following links:

<https://www.gov.uk/child-benefit-move-to-uk>

<https://www.gov.uk/tax-credits-if-moving-country-or-travelling/moving-to-the-uk>

### **Article 44**

No change

## Part XIII COMMON PROVISIONS

No change

### Article 70

#### Question 1

No change

### Article 71

#### Question 3

Estimated outturn figures (GB£ million) for the year 2015-2016.

Part to which ratification applies	Expenditure on the protection of employees, their wives and children (A)	Insurance contributions borne by the employees protected (B)
II	138,700 (a)	£8,662 (b)
III	4,441 (contributions based Employment & Support Allowance)	
IV	341 (contributions based Job Seekers Allowance)	
V	70,973 (Retirement Pension – Basic Pension and Graduated Benefit) 18,119 (Retirement Pension - Additional Pension)	
	128 (Christmas Bonus – this is a single tax-free payment available for people who get one of the qualifying benefits in the qualifying week)	
TOTAL (excluding II)	£94,002m	£37,645 (c)

(Source: Government Actuary Report on the Social Security Benefits Up-rating Order 2016<sup>11</sup> unless otherwise stated).

Expenditure on Part VII Family Benefits and Tax Credits is met wholly from general taxation.

#### NOTES:

(a) See Her Majesty's Treasury entitled 'Public Expenditure Statistical Analyses 2015-16', page 70, table 4.2<sup>12</sup>.

(b) The National Health Service is financed mainly through general taxation with a small element coming from National Insurance Contributions (NICs) paid by workers (£8.662mil ) and employers (£12.429 mil) – see Appendix 4 Government Actuary Report). All other expenditure figures are taken from table 4.2 (page 14) in this report.

(c) Does not include NHS Contribution listed against II (b) above. It is not possible to break this figure down according to benefit, except for Part II. Employee's contributions to the National Insurance Fund also help meet the cost of maternity benefits, Guardian's Allowance and Redundancy Payments.

<sup>11</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/494930/53430\\_GA\\_U pRating\\_Report\\_2016\\_Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/494930/53430_GA_U pRating_Report_2016_Accessible.pdf).

<sup>12</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/538793/pesa\\_2016\\_w eb.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/538793/pesa_2016_w eb.pdf)

**Question 4**

Percentage B/A 40.0%, but see Note (c) above.

**Question 5**

The continuing equalisation of women's and men's State Pension age slightly reduced the number of people entitled to old age benefit in 2015/16.

**Question 6**

- i. Benefits have been increased annually as provided for in the Social Security Benefits Up-rating Orders
- ii. Full details of the rates of benefits provided from the National Insurance Fund are shown in Appendix 1 of the Government Actuary's Up-rating Report 2016<sup>13</sup>.

**Question 7**

Please see Government Actuary Report.

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<sup>13</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/494930/53430\\_GA\\_UpRating\\_Report\\_2016\\_Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/494930/53430_GA_UpRating_Report_2016_Accessible.pdf)

Response to the Committee of Experts' Conclusions

***In view of the reconfiguration of the national welfare system through the introduction of the UC on the basis of a “uniform approach” to all those who are out of work, irrespective of whether they are unemployed or ill, the Committee asks the Government to explain how the risk of sickness will be differentiated from the risks of unemployment and invalidity, and how the UC should be taken into account for the purpose of application of Part III of the Code.***

In relation to Part 3 of the Code, Universal Credit does not take a ‘uniform approach’ to all those out of work, irrespective of whether they are unemployed or ill. There are different rules and payments in place within Universal Credit for those with limited capability for work due to a disability or health condition.

When someone makes a claim to Universal Credit they will state whether they are unable to work through illness or if they are ready to work. Eligibility for limited capability additions will be determined following the outcome of a Work Capability Assessment, which differentiates the risks of unemployment from sickness and invalidity. The claimant would discuss their work capability with the work coach, and they would then decide the reasonableness of having work search activity in their revised claimant commitment.

Someone can stay on Universal Credit whether they are in work, unable to work through sickness, or out of work. Everyone gets paid a standard allowance on Universal Credit, and they will receive additions if they are unwell.

For the purpose of Part 3 of the Code, Universal Credit is a general anti-poverty benefit available to those at risk of falling into poverty. It is payable to people out of work as well as those in work and on a low income. The UK classifies this as a ‘social assistance’ rather than a ‘social security’ benefit.

The Government is committed to retaining the contributory principle as far as National Insurance Contribution based social security benefits are concerned. The UK’s obligation under the accepted Parts of the Code should continue to be met in this way for the foreseeable future.

***Please also specify the complementarity of the SSP, ESA and UC in terms of scope, qualifying and waiting periods, duration, level of benefit, and the regime of sanctions, bearing in mind that, taken together, these benefits should ensure the required level of income security in case of a morbid condition for at least 26 weeks in each case of sickness or until the onset of invalidity, if it comes earlier (Articles 16 and 18 of the Code). In view of the innovative trends in the development of the United Kingdom's social security legislation, the Committee would expect the Government's next report to contain the necessary details and statistics.***

Universal Credit is replacing a range of income related benefits, contributory Employment Support Allowance and Statutory Sick Pay will continue separately. In future, Universal Credit will provide means tested support for those on contributory Employment Support Allowance and Statutory Sick Pay. We are currently looking at how contributory Employment Support Allowance and Universal Credit interact but there are no current plans to remove this at present.

As Universal Credit is a form of social assistance it does not fall within the scope of the Code. For the necessary details and statistics refer to those provided for Employment Support Allowance and Statutory Sick Pay under part III in the above.

***Referring to the previously asked question concerning the configuration of the benefit package to be taken into account for the purpose of application of Part III of the Code, the Committee considers that, subject to confirmation by the Government, the protection ensured by this arrangement of complementary SSP and ESA benefits is compatible with Article 18(1) of the Code.***

The Government continues to provide the same level of support for people who are unable to work because of sickness or a disability. As stated in the UK's 47<sup>th</sup> report, Statutory Sick Pay can be considered the main benefit covering the majority of persons protected during the whole period of payment of sickness benefit, as prescribed by Article 8 (1) of the Code. In addition people can claim means-tested Income Support if they have additional needs. Employment Support Allowance plays a supplementary role protecting only those who are not covered by Statutory Sick Pay. Taken together, the Government believes these benefits ensure the required level of income security for the duration outlined by Part III of the Code.

**Consequently, the indicators of life expectancy, HLE and DFLE of elderly persons as the measure of their capacity for work beyond 65 should be calculated not for the general population but with respect to the abovementioned categories of workers engaged in manual operations and physical labour, including in onerous and hazardous occupations entailing premature physical ageing.**

Whilst average life expectancy differs among people from different socio-economic backgrounds, there have been substantial improvements in longevity at age 65 across all socio-economic groups during the last 30 years. All socio-economic classes (including the unclassified group) experienced statistically significant absolute gains in life expectancy at birth and at age 65 between 1982 to 1986 and 2007 to 2011<sup>14</sup>.

The Office for National Statistics do not currently produce regular publications on Healthy Life Expectancy and Disability-Free Life Expectancy broken down by Social Economic Class, but plan to do so in the future.

**The Government is therefore asked to include in its next report the statistics on the participation rate and worklessness for people aged 65–67 years and belonging to the abovementioned SOC Sub-Major Group 91.**

Labour Market Statistics by age group and occupation are published by the Office for National Statistics each month. In addition the Government set out the case for later life working in Fuller working lives: framework for action and more recently, has published, employment statistics on older workers by sector for those aged 50-64 and 65-69<sup>15</sup>. The sample size for people aged 65-67 belonging to SOC 91 in the Labour Force Survey is very small to make meaningful comparisons – however we will consider, in the future, what might be appropriate data and research for understanding the impact on the categories that are mentioned.

The Department for Work and Pensions published a new annual statistical release on 28<sup>th</sup> July 2016 which provides statistics on economic labour market status by five year age band and gender<sup>16</sup>.

**Finally, the Government is asked to specify the reasons for abolishing the default retirement age and the lower retirement ages previously established for certain particularly arduous occupations.**

The Employment Equality (Age) Regulations were introduced in 2006 to prohibit

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<sup>14</sup> <http://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies/bulletins/trendinlifeexpectancyatbirthandatage65bysocioeconomicpositionbasedonthenationalstatistics socioeconomicclassificationenglandandwales/2015-10-21>

<sup>15</sup> <http://socialwelfare.bl.uk/subject-areas/services/activity/employment/departmentforworkandpensions/172963older-workers-by-sector-ad-hoc-statistics.pdf>

<sup>16</sup> <https://www.gov.uk/government/statistics/economic-labour-market-status-of-individuals-aged-50-and-over-since-1984-experimental>

discrimination in employment because of age. Among other things, they introduced a national Default Retirement Age (DRA) of 65 and prohibited compulsory retirement below 65 unless objectively justified. In effect, the DRA made it lawful for an employer to discriminate against an employee on the grounds of their age when it comes to retirement.

People are living longer, healthier lives and as the structure of our society changes we needed to reappraise the important role older people play: as employees, entrepreneurs and in the wider community. As part of this reappraisal, the UK believed that those who wish to work past 65 and are able to do so should not be denied the opportunity to do so and in removing the DRA, it was ensured that people are not deprived of the opportunity to work simply because they have reached a particular age.

Working longer provides many benefits and there are a range of reasons for pursuing it including the health and social benefits that many people gain and the financial benefits to both the individual and the wider economy. In 2010 the National Institute for Economic and Social Research estimated that extending average working lives by one effective year could increase GDP by around 1 per cent. Removing the DRA is just one of the steps that the UK has taken to enable and encourage people to work for longer.

The removal of the DRA does not mean that individuals can no longer retire at 65 – simply that the timing of that retirement is now a matter of choice rather than compulsion.

***The Committee hopes that the measures taken by the Government to reform the pension system would have permitted the new single tier pension, alone or together with pension credit and private pensions, to move over half of pensioners above the 40 per cent threshold fixed by the Code. To show compliance with this key provision of the Code, the Government is asked to include in its next report all the necessary explanations and data.***

The new State Pension was introduced on 6 April 2016 and currently has a flat rate value of £155.65. As reported in the 44<sup>th</sup> Report of the United Kingdom under Article 74 of the ECSS, the reference wage of an ordinary adult labourer for the purposes of Article 66 of the Convention is £330 per week. As such the new State Pension alone accounts for 47 per cent of the reference wage and in 2016 it is estimated that 89% will receive this full gross amount when negating for the effects of contracting out.

In the first 15 years of the new State Pension system, around three-quarters of people who reach State Pension age under the new system will have a notionally higher State Pension than under the old system.

By 2030, over three million men, and over three million women will have benefitted from a notionally higher State Pension. In addition, because of the triple lock, people who have 30 qualifying years or more, will get the new State Pension with a Starting Amount of £570 a year more than if the basic State Pension had been uprated since 2011 by earnings.

***It would ask the Government to explain its policy of maintaining the purchasing power of the benefits in payment as well as giving the pensioners a fair share of the resumed growth of the national economy after the crisis.***

The law relating to annual increases to benefit rates, known as up-rating, requires the Secretary of State for Work and Pensions to review benefit rates each year to determine if they have kept their value in relation to the rise in either prices or earnings, depending on the benefit, over the relevant period. If the Secretary of State determines that the value of benefits have not kept pace with these rises, then he must lay an up-rating order that increases certain benefit rates as required. This has meant that benefits including additional-cost disability benefits and carers' benefits have kept their purchasing power against increases in prices. When the Secretary of State makes an up-rating order for Great Britain, the Department for Communities is empowered to make a corresponding order for Northern Ireland.

For pensioners, the government has put into place a 'triple guarantee' (or 'triple lock') up-rating policy, which ensures that each year the basic State Pension is increased by the highest of the rise in earnings, price inflation (as measured by the Consumer Prices Index) or 2.5 per cent. This policy has helped to reverse the previous trend whereby the basic State Pension had been falling as a proportion of average earnings, from a low of 15.8 per cent in 2008-9, to a level of 18.2 per cent in 2014-15, the highest level since 1992-93. Further details of the historic levels of benefit rates can be found on the government's website<sup>17</sup>.

The government also continues to protect the poorest pensioners through Pension Credit, a means-tested benefit that has a standard minimum amount, known as the Pension Credit Standard Minimum Guarantee, below which pensioner income need not fall. The legal requirement is that the Standard Minimum Guarantee in Pension Credit is increased each year at least in line with the rise in earnings. In order to ensure that the poorest pensioners benefit from the triple lock, the government applied a 'pass-through', an above earnings increase equivalent to the cash increase of the basic State Pension, to the means-tested standard minimum guarantee between 2011-12 and 2015-16. This prevented increases in the basic State Pension being subsequently clawed back in Pension Credit awards.

***The Committee expects the Government's next detailed report to contain full information and statistics on the adjustment of benefits under each accepted Part for the period 2011–16 requested in the report form on the Code under Title VI of Article 65.***

The tables under Title VI Article 65 are not always applicable to the UK situation, we therefore here provide the main rates of each benefit that falls under the scope of the Code.

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<sup>17</sup> <http://www.gov.uk/government/collections/abstract-of-statistics-for-benefits-national-insurance-contributions-and-indices-of-prices-and-earnings>

## **Rates of certain social security benefits 2011-2016**

All rates are weekly £ unless stated otherwise. The rates of child benefit and child tax credit are the responsibility of HMRC/HMT. These rates do not take into account premiums, such as disability or carer premiums for ESA and JSA, or other elements of benefit, such as additional State Pension in the case of State Pension.

### **Statutory Sick Pay**

Period	Main rate	
2011-12	81.60	Payable for first 28 weeks of sickness to employees with earnings over £102pw
2012-13	85.85	Payable for first 28 weeks of sickness to employees with earnings over £107pw
2013-14	86.70	Payable for first 28 weeks of sickness to employees with earnings over £109pw
2014-15	87.55	Payable for first 28 weeks of sickness to employees with earnings over £111pw
2015-16	88.45	Payable for first 28 weeks of sickness to employees with earnings over £112pw

### **Employment and Support Allowance (contribution-based)**

Period	Main rate (single person)
2011-12	67.50
2012-13	71.00
2013-14	71.70
2014-15	72.40
2015-16	73.10

### **Jobseeker's Allowance (contribution-based)**

Period	Main rate (man or woman on own National Insurance Contribution)	Man plus dependent wife
2011-12	67.50	105.95
2012-13	71.00	111.45
2013-14	71.70	112.55
2014-15	72.40	113.70
2015-16	73.10	114.85

### Basic State Pension

Period	Main rate (man or woman under 80 with own National Insurance Contribution)	Man plus his wife on his National Insurance Contribution – both under 80
2011-12	102.15	163.35
2012-13	107.45	171.85
2013-14	110.15	176.15
2014-15	113.10	180.90
2015-16	115.95	185.45

### Child Benefit

Period	Main rate (1 <sup>st</sup> child)	Rate for additional child
2011-12	20.30	13.40
2012-13	20.30	13.40
2013-14	20.30	13.40
2014-15	20.50	13.55
2015-16	20.70	13.70

### Child Tax Credit

Period	Family element (annual)	Child element (annual)
2011-12	545	2555
2012-13	545	2690
2013-14	545	2720
2014-15	545	2750
2015-16	545	2780

***The Committee regrets to note that the situation has not changed and the rate of the contribution-based benefits has been consistently kept below the minimum standard established by the Code.***

The government believes that it maintains a strong welfare safety net that is adequate and balances the requirements of a sustainable welfare system with the need to ensure that work pays. Contribution-based benefits represent one part of the overall welfare system that includes a mixture of income-related and social assistance benefits such as housing benefit and tax credits.

Overall, the proportion of expenditure on contributory benefits as a share of Gross Domestic Product has remained broadly stable over recent years, from 4.8% in 2008/09 to 5.2% in 2016/17, and forecast to be 4.9% by 2020/21. Further details on overall spend on contribution-based benefits can be found on the government's website<sup>18</sup>.

<sup>18</sup> <http://www.gov.uk/government/statistics/benefit-expenditure-and-caseload-tables-2016>

The committee may also be interested to note that between 2001 and 2014, the replacement rate provided from benefits for UK couple families with two children rose from 64 to 72 per cent of average earnings. In 2014, the UK replacement rate provided by benefits for couples with two children was higher than the EU average, at 72 to 57 per cent. Further details on net replacement rates across the EU can be found on the European Commission's website<sup>19</sup>.

***With these clarifications, the Committee once again requests the Government to explain whether by following “the traditional Beveridge approach” in determining the flat rate amounts of the contribution-based social insurance benefits, the Government takes into account their role in preventing in-work poverty.***

Flat-rate contribution-based benefits, such as Jobseekers Allowance and Employment and Support Allowance, are out-of-work income replacement benefits and as such do not have a bearing on the question of in-work poverty.

Instead, the committee should note that the main rates of Jobseekers Allowance and Employment and Support Allowance provide a basic standard of living to those who are not in work at a level that does not disincentivise moving into work or back into work when the opportunity arises or their health permits.

Furthermore, the government is taking additional steps to incentivise and support people into work. This includes measures such as the introduction of the national living wage, which increases the minimum level of pay per hour for those aged 25 or over; the increases to the personal allowance in income tax which has ensured workers keep more of what they earn; and our reforms to childcare including doubling the hours of free childcare available for working parents of three- and four-year olds from 15 to 30 hours and the introduction of tax-free childcare.

***In order to be able to maintain this conclusion, the Committee would like the Government to furnish in its next report comparative statistics of coverage and calculations of the level of contribution-based and income-based ESA and JSA in accordance with the rules established by Articles 66 and 67 of the Code. Please provide the same calculations for SSP.***

The rates of contributory ESA and JSA are the same as the income based rates of ESA and JSA respectively.

Calculations for the coverage of contribution based ESA and JSA are provided in part III and part IV respectively in the above. Income based JSA and ESA provide for those who do not have enough national insurance contributions to claim contribution-based benefits and can also top up them in certain circumstances. Income-based JSA is available to those who are: over the age of 18, under the State Pension age, not in full time education, available for work, actively seeking for work and working on average less than 16 hours per week. Income-based ESA is available to those who passed a Work Capability Assessment, full information regarding this process is

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<sup>19</sup> [http://ec.europa.eu/economy\\_finance/db\\_indicators/tab/](http://ec.europa.eu/economy_finance/db_indicators/tab/)

provided under part III in the above.

Out of 898,000 JSA claims in 2014/2015; 111,000 were contribution only, 11,000 contributory and income-based and 723,000 income-based only. Out of 2.24 million ESA claims in 2014/2015; 507,000 were contributory only, 248,000 contributory and income-based and 1.34 million income-based only<sup>20</sup>. As income-based benefits are means tested it is not possible to calculate the coverage in the same way as for contribution based benefits. The Government is committed to retaining the contributory principle as far as National Insurance Contribution based social security benefits are concerned. The UK's obligation under the accepted Parts of the Code should continue to be met in this way for the foreseeable future with income-based benefits falling outside the scope of the Code as they are not a form of social security.

The calculations for SSP can be found under part III of the above.

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<sup>20</sup> <http://www.gov.uk/government/statistics/benefit-expenditure-and-caseload-tables-2016>