

<b>Title:</b> Replacement of existing Bereavement Benefits for New Claims from April 2016 - Bereavement Benefits for the 21 <sup>st</sup> Century (in Great Britain)  <b>IA No:</b>  <b>Lead department or agency:</b> Department for Work and Pensions  <b>Other departments or agencies:</b>	<b>Impact Assessment (IA)</b>		
	<b>Date:</b> 11/07/2012		
	<b>Stage:</b> Final		
	<b>Source of intervention:</b> Domestic		
	<b>Type of measure:</b> Primary legislation		
<b>Contact for enquiries:</b> 21stcentury.bb@dwp.gsi.gov.uk			

<b>Summary: Intervention and Options</b>	<b>RPC Opinion:</b>
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Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, One-Out?	Measure qualifies as
£m	£m	£m	No	NA

**What is the problem under consideration? Why is government intervention necessary?**

Bereavement benefits are currently paid to provide financial support for spouses and civil partners following premature death of their partner during working life. Annually Managed Expenditure (AME) for benefit payments is projected to be £514m in 2016/17. These benefits have been amended since state protection for widows was introduced in 1925; however incremental changes have blurred the principles behind them and their function, and resulted in a complex payment and contribution system. Government action is needed to ensure the benefits continue to effectively support the working age bereaved in a way that is coherent with the wider welfare and pensions system.

**What are the policy objectives and the intended effects?**

The proposal for the reformed benefits starting in 2016/17, at the earliest, aims:

1. to simplify the payment system by moving to a more uniform structure, with support focused on the period immediately following bereavement; and
2. to simplify the contribution conditions, with a single rule irrespective of age and child dependent status.

This should support people through the difficult early months following bereavement in a more transparent way, so that the reformed benefit works more effectively as social insurance.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**

**Default position** - do nothing and continue to pay existing bereavement benefits to qualifiers.

**Option 1 (preferred)** - entitlement to the new benefit will be based on a single year of class 1 or 2 National Insurance contributions, and will be paid in lump sums and instalments over 12 months. Indicative values for it are in the region of £4,300 for recipients (tax free) without dependent children and £9,800 (tax free) for those with them. These awards will be disregarded for other benefits. Actual values and periodicity will be defined in regulations to safeguard additional support for bereaved parents. It is anticipated that this option will replace old benefits for new claims from April 2016.

This policy proposition recognises the immediate financial impact of bereavement, and people's vulnerability in decision-making at this time. It both simplifies the benefit, and improves alignment with changes proposed by the Single Tier Pension reform.

**Will the policy be reviewed?** It will/will not be reviewed – to be confirmed  
**If applicable, set review date:** N/A

Does implementation go beyond minimum EU requirements?			N/A		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	<b>Micro</b> No	<b>&lt; 20</b> No	<b>Small</b> No	<b>Medium</b> No	<b>Large</b> No
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)			<b>Traded:</b> N/A	<b>Non-traded:</b> N/A	

**I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.**

Signed by the responsible Minister: \_\_\_\_\_  \_\_\_\_\_ Date: 11/07/2012

# Summary: Analysis & Evidence

# Policy Option 1

Description: Replacement of existing Bereavement Benefits for New Claim

## FULL ECONOMIC ASSESSMENT

Price Base Year 2011/12	PV Base Year 2011/12	Time Period Years 4 years	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate:

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			£1,480m

### Description and scale of key monetised costs by 'main affected groups'

Costs from 2016/17 to 2019/20 are to the exchequer; this includes costs of new and legacy systems, impact on Universal Credit (UC) and tax foregone. Please see the Fiscal Impact part below for the scale of expenditure.

Individuals already in receipt of the current benefit will not be affected by the reform. The largest group of notional losers are those who would have received benefits for many years under the current system.

### Other key non-monetised costs by 'main affected groups'

Department Expenditure Limits (DEL) costs to the business for employment support and payment system are not included at this point.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			£1,480m

### Description and scale of key monetised benefits by 'main affected groups'

Benefits to the individual are equal to costs to the taxpayer as DEL costs on programme (back-to-work support) and administration (payment system) are not included at this point.

The main group of beneficiaries are younger childless people who would previously have got the Bereavement Allowance (BA) and/or the Lump Sum Payment, those with children who would have received Widow's Parent Allowance (WPA) for a short time only, and those now eligible for other benefits.

### Other key non-monetised benefits by 'main affected groups'

Possible indirect effect of increasing movement back into work owing to targeted employment support, along with associated follow-on of higher economic output and subsequent gain in tax take. This effect is highly uncertain, due to many potential influences, and so has not been quantified.

Potential positive health benefits as a result of moves to work which due to uncertainty are left unquantified.

Likely reduced stress on prospective applicants due to simplification of benefit is also unquantified.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount rate (%)</b>	3.5%
<p>The key assumption is that the forecast based on characteristics of current benefit recipients is a robust basis for understanding the future. The projections used are those underlying the Budget 2012 analysis, and are the best assessment of available evidence but still subject to forecasting error.</p> <p>Any changes to the following also have an impact: DWP's Policy Simulation Model estimates used for knock-on impact on UC and tax implications; and Office for Budget Responsibility (OBR) March 2012 forecasts of inflation used to uprate legacy benefits and HMT's GDP deflators and Green Book discount factor applied over 4 years.</p>		

## BUSINESS ASSESSMENT (Option 1)

<b>Direct impact on business (Equivalent Annual) £m:</b>	<b>In scope of OIOO?</b>	<b>Measure qualifies as</b>
Costs: N/A	No	NA
Benefits: N/A		
Net: N/A		

## Evidence Base

Annual profile of monetised costs and benefits -  
(£m) constant 2011/12 prices

	2016/17	2017/18	2018/19	2019/20	Total
Transition costs	0	0	0	0	0
Annual recurring cost	420	380	350	330	1,480
<b>Total annual costs</b>	<b>420</b>	<b>380</b>	<b>350</b>	<b>330</b>	<b>1,480</b>
Transition benefits	0	0	0	0	0
Annual recurring benefits	420	380	350	330	1,480
<b>Total annual benefits</b>	<b>420</b>	<b>380</b>	<b>350</b>	<b>330</b>	<b>1,480</b>

\* For non-monetised benefits please see summary pages and main evidence base section

Note: (1) values are deflated by HMT's deflators and discounted by the Green Book's 3.5%; and (2) values are rounded to the nearest £10m.

## Background

1. Currently, bereavement benefits consist of three different payment components:
  - **Bereavement Payment (BPT)** – a one-off tax-free payment of £2,000 payable to someone after their wife, husband or civil partner has died; and if eligible
  - **Bereavement Allowance (BA)** – a taxable weekly benefit which can be paid to someone for up to 52 weeks from the date of death of their wife, husband or civil partner if they are over 45 and under State Pension age. The rate of Bereavement Allowance is reduced by around 7% for each year the claimant was under the age of 55 as at the date of death of their spouse or civil partner; or
  - **Widowed Parent's Allowance (WPA)** – a taxable weekly benefit which may be payable to a parent whose husband, wife or civil partner has died if they have at least one dependent child for whom they receive Child Benefit (CB). It is payable until the claimant reaches State Pension age or upon cohabiting or remarriage/formation of civil partnership.

## Problems

2. Currently age is a significant factor in determining the amount of entitlement to bereavement benefit. It has been considered a broad test of the ease with which a widowed spouse or civil partner can enter or re-enter the employment field to support themselves through work. Therefore, the benefit for those without dependent children has concentrated on those aged 45 and over. The importance of this age limit in determining financial need and the absence of any back-to-work support has been questioned prior to the current review of the benefit.
3. Complexity in contribution conditions, payment structure and award duration has meant it is very difficult for applicants to anticipate whether they qualify, how much they will receive and for how long. This uncertainty does not help potential applicants who are already feeling a loss of control after bereavement.
4. Additionally, because entitlement ceases if the claimant remarries, with entitlement suspended if the claimant is living together with a partner outside marriage, this can provide an artificial disincentive to people who wish to form new relationships after bereavement.

## Rationale

5. Government is seeking to reform the welfare system as a whole in order to provide a more effective and supportive system that meets the needs of all in the future. DWP recently published the consultation 'Bereavement Benefit for the 21st Century' as part of the fundamental reassessment of the role that the welfare system plays going forward. It has consulted on the modernisation of fresh benefit claims - those made from April 2016 at the earliest. The departmental website provides the consultation document at the following link: <http://www.dwp.gov.uk/consultations/2011/bereavement-benefit.shtml>.
6. The consultation proposals positioned bereavement benefits as support focused early on in the period of readjustment following bereavement. Ongoing, income-related support for those with insufficient income for their basic needs will in the future be provided by Universal Credit (UC). The Department's website provides a response to the consultation at the following link: <http://dwp.gov.uk/consultations/2011/bereavement-benefit.shtml>

## Objectives

7. DWP's consultation identified the following policy aims as being the foundation for any new benefit(s):
- they should be simple to understand and to claim;
  - they should provide fast, direct, financial help for immediate needs following the bereavement of a spouse/civil partner;
  - they should give recipients the flexibility they need to regain control of their situation in the period immediately following bereavement;
  - there should be additional support for families, to recognise the additional costs associated with raising children;
  - they should allow recipients to access the financial and work focused support provided by UC at a time that is right for them; and
  - they should be fair and promote self-dependency.

## Response

8. The following are the chief Government responses based on feedback to the public consultation.

### Employment Support

9. This response focuses on supporting bereavement benefit recipients who need to start work or change their working patterns after bereavement. This is guided by social research commissioned by the DWP which suggested that BA and in particular WPA recipients who had been out of work for some time before their bereavement would benefit from tailored back to work support, since they faced significant barriers in terms of skills, experience and confidence. Research Report 790 provides further details at the following link: <http://research.dwp.gov.uk/asd/asd5/rports2011-2012/rrep790.pdf> .
10. Existing bereavement benefits are inactive ones; that is they are paid to all qualifiers and are not affected by being in paid employment. Administrative data indicates that the majority of BA and WPA recipients are in work after their claim ends (around two thirds are not in receipt of other benefits two months after leaving this one) but there is scope to assist those not in work to move to that state.

### Universal Credit

11. The response also recognises the need not to duplicate income replacement (or income replacement top-up) to bereavement benefit recipients, but at the same time not to disadvantage this vulnerable group. The introduction of the reformed benefit is due to happen after UC has gone live. Therefore, it is essential the benefits do not duplicate each other's income related financial support. The refocusing of payments for use in the period immediately after death of partner and the disregarding of them from applications to other benefits will mean that low-income households' ongoing needs are addressed through UC alone in the future.
12. If present arrangements were left unchanged, the value of any new benefit's regular payments would be taken into account as income in determining eligibility for and amount payable in UC. Currently, about a third of bereavement benefit recipients are in receipt of other benefits during their claim, but under UC the proportion might rise.

## Tax Status

13. The tax status of Bereavement Benefits is a matter for HM Treasury, who will consider all comments carefully with a view to reaching an appropriate solution. HM Treasury ministers have indicated that because the lump sum payment is intended to meet costs arising from bereavement, and is not intended to be a replacement for other income, they would not expect to levy income tax on this specific payment. As with all aspects of the tax system, any decisions on future changes to other bereavement payments will be taken as part of the annual fiscal process in the context of the wider public finances.

## Options

### Default and preferred options

14. Options for a new benefits system are:

- **Default position** – do nothing and continue to pay existing bereavement benefits to qualifiers under set conditions; or
- **Option 1 (preferred)** – entitlement to the new benefit will be based on a single year of class 1 or 2 National Insurance contributions, and will be paid in a lump sum with instalments over 12 months. Total costs derived from the indicative values for the payments on the cover page, and based on improved modelling following the consultation, are set out below. This protects current recipients and disregards the fresh awards from other benefits over 4 years, if the awards are tax exempt. Actual values and periodicity will be defined in regulations to safeguard additional support for bereaved parents.

It is anticipated that the new benefit will be introduced in respect of claims after 1 April 2016, with the terms of older ones relating to before this date protected to closure.

## Estimated Cost/Benefit

15. This reform is costed from 2016/17 to 2019/20 and achieves all of the stated objectives. This shows that we will target additional resources on bereavement benefits over a parliament, to ensure that existing recipients are protected, and that those who claim the new benefit get the help that they need when they need it most. Note that current recipients' claims, which are protected by these reforms, reduce in number over time. A future Government could decide how to reinvest any savings which arise.

## Fiscal impact

16. Estimated baseline is based on default position – do nothing. The table below shows the Department's forecasted Annually Managed Expenditure (AME) spend (aligned to the Budget 2012) for existing bereavement benefits for the periods when any future reform would be introduced. This quantification is derived from official projected caseloads and expected benefit rates.

<b>Legacy system, 2011/12 £m</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Lump sum	80	80	80	80
BA weekly payments	100	110	110	120
WPA Weekly payments	240	240	250	250
Working-age additional pension	40	40	40	40
Pre-2001 cases	50	50	40	30
<b>Total DWP AME expenditure</b>	<b>510</b>	<b>510</b>	<b>510</b>	<b>520</b>

Source: INFORM forecasts of DWP expenditure.

Note: (1) values are in cash terms; and (2) values are rounded to the nearest £10m and so do not always sum to totals.

17. Estimated costs to the Department based on Option 1 are assessed relative to the above baseline. The table below shows what the DWP AME spend might be for the years when any future bereavement benefits change would be in place; calculations are based on official projected caseloads and various expected benefit, credit, tax and other cost rates.

<b>Reform + Legacy, 2011/12 £m</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
New benefit lump sum	110	110	120	120
New benefit instalment element	50	90	90	90
New benefit impact on UC	20	40	50	60
Legacy benefits protection	370	280	250	220
<b>Total DWP AME expenditure</b>	<b>550</b>	<b>520</b>	<b>500</b>	<b>490</b>
<b>Net Government saving</b>	<b>-50</b>	<b>-40</b>	<b>-20</b>	<b>-10</b>

Sources: INFORM forecasts of DWP caseloads transformed by estimated reformed and legacy benefit rates and by estimated impact on UC and Tax (based on PSM 2014/15 - FRS 2008/09).

Note: (1) values are in cash terms; (2) values are rounded to the nearest £10m and so do not always sum to totals; and (3) net saving incorporates tax foregone by HMRC on new benefit claims of £10m in 2016/17, £30m in 2017/18, £30m in 2018/19 and £40m in 2019/20.

18. These figures are based on the following:

- Budget 2012 forecasts for existing bereavement benefits stocks and flows from April 2016 are derived from DWP's INFORM model;
- costs derived from the above for Option 1 assume the remaining legacy system cases are updated by the Office for Budget Responsibility (OBR) CPI forecasts and the new claims are as set out under the option; and
- the Department's Policy Simulation Model (PSM) estimates of the effect of the disregard for UC and overall tax implication are updated by OBR CPI forecasts and applied to base numbers to give these parts of the costings.

### Numbers affected

19. If Option 1 (preferred) is taken forward, then the relative size of groups that lose or gain relative to the current system might be derived from:

- the following tables which show current benefit caseloads – WPA by duration of claim and BA by age of recipient. The inflow for BPT is not available from a published source but projections based on recent Management Information suggest it is between 10 and 12 thousand cases across a year; and
- the notional examples of the next part about impact on the individual use an in-work to out-of-work split. Administrative data suggests that roughly two thirds of bereavement benefit leavers are not in receipt of out of work benefits and about one third are in receipt of them two months after claim closure.

The information in the following tables provide important context to the impacts in the illustrations. They do this by allowing calculation of the possible number of winners and losers in sub-groups and overall when used in conjunction with notional examples further below.

### Caseload (in thousands) for WPA by length of the claim and BA by age of claimant

Number of years	WPA claims live
1	8.14
2	6.25
3	5.66
4	4.70
5	3.91
6	3.54
7	3.16
8	2.64
9	2.28
10	1.94
11	1.30
<b>Total</b>	<b>43.51</b>

Age related	BA claims live
45	0.28
46	0.36
47	0.45
48	0.56
49	0.64
50	0.78
51	0.86
52	1.01
53	1.18
54	1.29
55-64	12.92
<b>Total</b>	<b>20.36</b>

Source: WPLS [National Statistics], November 2011 dataset <http://statistics.dwp.gov.uk/asd/index.php?page=tabtool>  
 Note: values are rounded to the nearest ten and so do not sum to totals.

### Impact on individuals

20. Under Option 1 (preferred), those that notionally lose out would be those on WPA for many years and older BA recipients in work, and those that gain would be on WPA for fewer years, out of work and younger in work recipients of BA and BPT. The following tables under each “what if” scenario provide **notional examples of average gain/loss**, so that the change can be assessed within existing benefit groups. It is important to note that these illustrative examples serve as an indication of what the average person in groups might gain or lose if the reform was initiated now (2011/12), and payments in individual cases may differ from the central estimates. All examples are based on 2011/12 starts because sufficient data is available from this date.

**This approach has been adopted rather than to calculate precise numbers of winners and losers because there is no readily available model to simulate changes to bereavement benefit at a future point in time, as there is for other benefits.**

*“What if” Option 1 is applied to WPA claims going forward from 2011/12*

*The next table shows the net impact of the reform on those that would have been WPA recipients in the past by length of claim (up to 11 years). These values are the differences between benefit payments under present and proposed benefits in each year of the claim. They allow us to see who are the winners and losers, and by how much.*

- 21. The main difference between new and old approaches to bereavement benefits for parents of dependent children is to do with duration. Under existing arrangements, this group can stay on the current system for many years without getting any support to go back into employment. Under option 1, support for all groups is focused on the first year after bereavement, and the award is disregarded from application to other benefits. This means those requiring income replacement will be eligible for other benefits (such as UC) with appropriate back-to-work support for their circumstances to maintain a close link to the labour market.
- 22. The overall worth of existing and new benefits bundles for parents of dependent children are based on lump sums, regular payments and for some recipients a tax liability. On average, option 1 provides more money for the recipient than the present arrangement over the initial two years for those in and out of work, and means that those out of work are better-off in the first 3 years under the reform. However, it does offer less money for recipients in work 3 years onward and for those out of work after 4 years.
- 23. Key assumptions of net impact calculation:



- WPA rates are as set in April 2011 (for 2011/12) and updated by the OBR's forecasted CPI for subsequent years. For those in work it is assumed the regular payment element of this is taxed at a basic rate of 20%, while for those out of work it is assumed no tax is due. Both WPA lump sum and reformed benefit sums are tax-free and already in 2011/12 cash terms;
- estimated UC rates are applied under either scheme, and cover awards formerly in income related working age benefits (JSA/ESA/IS), Housing Benefit (HB), National Tax Credits (WTC/CTC) and Pension Credits (PC). Higher amounts are paid under the option owing to the disregard of the new payment from application to the UC – this is especially the case for those out of work; and
- all accumulated benefits, annualised amounts, are deflated to 2011/12 values using HMT's GDP deflator series and discounted at the HMT Green Book rate of 3.5%.

### WPA group net gain/loss in £'000 2011/12 prices – difference between current and proposed schemes

Number of years of the claim	Those out-of-work: In-year	Those in-work: In-year
1	5.6	4.2
2	-2.4	-3.8
3	-2.6	-3.9
4	-2.7	-4.0
5	-2.9	-4.1
6	-3.1	-4.3
7	-3.3	-4.4
8	-3.5	-4.6
9	-3.7	-4.8
10	-4.0	-5.0
11	-4.1	-5.1

Note: (1) values are deflated by HMT's deflators and discounted by the Green Book's 3.5%; and (2) values are rounded to the nearest hundred.

#### ***“What if” Option 1 is applied to BA claims in 2011/12***

***The following table shows the net impact of the reform on those that would have been BA recipients in the past by age. These values are the differences between benefit payments under present and proposed systems. They allow us to see who are the winners and losers, and by how much.***

24. The new and old bereavement benefits for non-parents at or over 45 years have the same duration of 12 months. However, as above, under existing arrangements this group will not get any support to go back into employment. Within Option 1 the award is disregarded from application to other benefits, so recipients will also be able to claim any relevant benefits with the appropriate back-to-work support.
25. The value of existing and new schemes for non-parents at or over 45 years are based on lump sums, regular payments and for some recipients a tax liability on current bereavement benefits. On average, option 1 yields more money for recipients in work if they are 50 years old and younger than the current scheme, and for those out of work irrespective of age. However, it does provide less money for recipients in work that are older than 50 years.
26. Key assumptions of net impact calculation:
  - BA rates are as set in April 2011. For those in work it is assumed the regular payment element of this is taxed at a basic rate of 20%, while for those out of work it is assumed there is no liability;
  - estimated UC rates are applied to both systems, and cover awards previously under income related working age benefits. Higher amounts are paid under the option owing to the disregard of the new payment from application to the UC – this is especially the case for those out of work; and

- there is no need to deflate or discount any figures because this is a single year calculation already in 2011/12 cash terms.

**BA group net gain/loss in £'000 2011/12 prices – difference between current and proposed schemes**

Age related bins	Those out-of-work	Those in-work
45	3.0	1.6
46	2.7	1.3
47	2.4	1.0
48	2.1	0.7
49	1.8	0.4
50	1.5	0.2
51	1.2	-0.1
52	0.9	-0.4
53	0.6	-0.7
54	0.3	-1.0
55-64	0.1	-1.3

Note: (1) values are rounded to the nearest hundred.

**“What if” Option 1 is applied to BPT only cases in 2011/12**

*The next part details the benefit change, and then outlines the net impacts of the reform on those that would have been BPT only recipients in the past. These values are the differences between benefit payments under present and proposed systems. They allow us to see who are the winners and losers, and by how much.*

27. The new and old systems for bereavement benefits for non-parents under 45 years old differ fundamentally. Currently, this group gets a one-off tax free payment. Then, if necessary, the recipient can apply for any working age benefit (which might be contingent on undertaking back-to-work support). Under Option 1, this group is subject to the same regime as the BA one, so recipients will also be able to claim any relevant benefits with the appropriate employment support.
28. The impact of the proposal for non-parents under 45 years old is simply the difference between the bereavement payments and the impact of exempting the payments from UC awards. On average gains are £4.6 thousand per annum for those out of work and £3.0 thousand per annum for those in work.
29. Key assumptions of net impact calculation:
  - BPT lump sum recipients receive £2,300 more under the option (in lump sum and instalments) over the previous one-off payment;
  - estimated UC rates are applied to either scheme, and cover awards previously under income related working age benefits. Higher amounts are paid under the option owing to the disregard of the new bereavement payment from application to the UC – this is especially the case for those out-of-work; and
  - there is no need to deflate or discount any figures because this is a single year calculation already in 2011/12 cash terms.

**Risks**

30. High-level fiscal analysis is based on several assumptions. The key assumption is that the DWP forecast based on characteristics of current benefit recipients is a robust basis for understanding the future. The projections used are those underlying the Budget 2012 analysis, and are the best assessment of available evidence but still subject to forecasting error. Other possible sources of variation are: how well administrative data on WPA identifies those with a dependent child; accuracy of OBR CPI forecasts as uprating factors for upcoming periods,

HMT GDP deflators and Green Book discount factor (3.5%); and any potential sampling and weighting error feeding into the PSM.

31. The notional examples of net gain/loss are based on calculations of: known rates for existing bereavement benefits and UC estimates for 2011/12 (and that regime rolled-forward 11 years based on uprating by OBR CPI forecasts for the WPA example), and the stated values for the new benefit; an assumed income tax rate on current weekly bereavement benefits of 20% for those in work; and application of HMT's GDP deflators and Green Book discount factor on benefit monies accumulated over time. If new benefit values and the tax assumption change, and if/when inflation, deflators and discount factors are updated there will be ensuing change to the outturns.
32. There are costs omitted from high-level fiscal analysis because they are unquantifiable at this point. These include: DEL programme costs e.g. for back-to-work support cost to the business and also that for the extra caseloads into the various conditionality groups; and DEL payment and other administration costs, although this is likely to fall under Option 1 as shorter durations of payments (12 months) reduces the overall number of payments.

## Notices

33. The form of any **post implementation review**, including a further equality impact assessment, is currently under consideration. There will be revision to this impact assessment after the planning for the review has been completed.