

Social Security News

Issue 206 July 2023

This News Bulletin is intended to brief those with a special interest in social security matters of the changes in the law following each sitting of Tynwald at which the changes are approved.

Copies of the Orders referred to in this bulletin may be obtained from:

Tynwald Library, Legislative Buildings, Douglas, IM1 3PW.

Tel: 01624 685520

Email: library@tyrwald.org.im

Website: <https://www.tyrwald.org.im/links/secondary-legislation>

Social Security legislation is available [online](#).

The relevant document number is shown against the item.

For more details on the Orders described in this newsletter.

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In this issue:

SD2023/0143 applies the following 2 UK statutory instruments to the Island:

- The Occupational Pensions (Revaluation) Order 2022 (S.I. 2022/1229); and
- The Guaranteed Minimum Pensions Increase Order 2023 (SI 2023/270).

SD2023/0168 provides for the making of a one-off payment - called an "employed person's allowance uprating adjustment payment" - to certain persons who have been awarded employed person's allowance.

SD2023/0170 amends Schedule 1 to the Social Security Act 2000 (of Tynwald) by adding to it an entry relating to the Social Security (Special Rules for End of Life) Act 2022, of Parliament.

SD2023/0172 amends the Social Security Contributions and Benefits Act 1992 as it applies to the Island. The amendments made have the effect of discontinuing the ability of certain young people to newly qualify for short-term incapacity benefit on a non-contributory basis by virtue of their being a person incapacitated in youth if they make their claim for incapacity benefit on or after 1 September 2023.



Isle of Man
Government
Reillys Ellan Vannin

The Treasury

Pension Schemes Legislation (Application) (No. 2) Order 2023

SD2023/0143

This Order applies to the Island two statutory instruments of the United Kingdom Parliament relating to occupational pension schemes.

The first instrument applied by this Order is the Occupational Pensions (Revaluation) Order 2022 (S.I. 2022/1229). This instrument provides for the annual revaluation of certain pensions and other benefits under occupational pension schemes under the final salary method. It specifies the necessary revaluation percentages for each of the revaluation periods between 1st January 1986 and 31st December 2022.

The second instrument applied by this order is the Guaranteed Minimum Pensions Increase Order 2023 (SI 2023/270). This instrument specifies the percentage by which that part of guaranteed minimum pensions attributable to earnings factors for the tax years 1988- 89 to 1996-97 and payable by contracted-out, defined benefit occupational pension schemes is to be increased from 6 April 2023.

Employed Person's Allowance Up-rating Adjustment Payment Order 2023

SD2023/0168

This Order provides for the making of a one-off payment - called an "employed person's allowance up-rating adjustment payment" - to certain persons who have been awarded employed person's allowance (EPA).

The rates of social security benefits (and related amounts) were increased from the week commencing 10 April 2023 under the Social Security Benefits Up-rating Order 2023 (SD 2023/0019). However, within the Social Security Benefits Up-rating Order 2023 it provides that persons who have an award of EPA running at 10 April 2023 do not benefit from the up-rating until they are next awarded benefit after that date.

As the EPA allowances which make up a person's applicable amount increased so significantly in April 2023 Treasury decided that - for this year only - adjustment payments are to be made to eligible individuals, under the provisions of this Order.

To qualify for an adjustment payment a person must have been awarded employed person's allowance for –

- (a) a period beginning before 11 April 2023 and ending on or after 17 April 2023 ("award period 1"); and
- (b) a period beginning immediately after that earlier award period ends ("award period 2").

The amount of the payment is the difference between the weekly rates of EPA payable for weeks falling in award period 2 and the weekly rates of EPA payable in award period 1 multiplied by the number of weeks in award period 1 falling on or after 11 April 2023.

Only one employed person's allowance up-rating adjustment payment is payable to such a person.

If a person's subsequent weekly rate of EPA in award period 2 is less than the weekly rate it was under their previous award (award period 1) no adjustment payment is payable.

Eligibility for an adjustment payment will be considered when a person makes a new claim for EPA, following their previous award (the period of which included 10 April 2023).

No separate claim for an adjustment payment is required and payments will be made to eligible individuals automatically.

Also, no adjustment payment is payable unless the new claim for EPA is made immediately following the award of EPA the period of which included 10 April 2023 ended.

Social Security Act 2000 (Amendment) Order 2023

SD2023/0170

This Order amends Schedule 1 to the Social Security Act 2000 (of Tynwald) by adding to it an entry relating to the Social Security (Special Rules for End of Life) Act 2022, of Parliament ("the 2022 Act").

This allows for any provision of the 2022 Act - and any statutory instrument made under that Act - to be applied to the Island by a separate Order(s) made by Treasury.

Social Security Contributions and Benefits Act 1992 (Application) (Amendment) Order 2023

SD2023/0172

This Order amends the Social Security Contributions and Benefits Act 1992 (of Parliament) as it applies to the Island.

The amendments made have the effect of discontinuing the ability of certain young people to qualify for short-term incapacity benefit on a non-contributory basis by virtue of their being a person incapacitated in youth.

The amendments made have effect in relation to claims for incapacity benefit made on or after 1 September 2023.

The amendments made do not impact existing awards of incapacity benefit made under the incapacity in youth provisions.

A person may currently qualify for Incapacity Benefit on the basis of "incapacity in youth" if they –

- are aged 16 or over; and
- have been incapable of work for at least 196 consecutive days (note that some or all of these days may be before their 16th birthday); and
- were aged under 20 (or in some cases under 25 – see below) when their period of incapacity for work began; and
- if they are under 19, they are not in full time education.

If a person is aged between 20 and 24 when their period of incapacity for work began they may qualify for Incapacity Benefit on the basis of incapacity for work in youth if in addition to the above conditions –

- they have registered on a course of full-time advanced or secondary education, or on a course of vocational or work-based training at least 3 months before their 20th birthday; and
- within an academic term of so registering they actually attend that course of education or training; and
- they started the course at least 3 months before their 20th birthday; and
- they finished the course sometime after the beginning of the two complete tax years before the benefit year in which they claim Incapacity Benefit.