



PRACTICE NOTE

PN 64/96

Date: 4 November 1996

Social Security Benefits

Introduction

Under the provisions of the Jobseekers Act 1995 the United Kingdom have introduced (with effect from October 1996) a new benefit called Jobseekers Allowance. This new benefit has replaced Unemployment Benefit and Income Support for the unemployed. The Act has also introduced a number of incentives to encourage the unemployed back to work. The Isle Of Man Department of Health and Social Security (DHSS) have introduced similar measures under the provisions of "The Jobseeker's Enhanced Allowance Scheme 1996", (GC 22/96) approved by Tynwald on 10 July 1996. The DHSS have placed an Application Order (SD 8/96) before Tynwald. This Order contains the following amendments to Section 48 of the Income Tax Act 1970 -

In section 48 -

(a) for subsection (1) substitute - "(1) Payments of benefit under Parts 11 to IV of the Social Security Contributions and Benefits Act 1992 (an Act of Parliament) and the Job Seekers Act 1995 (an Act of Parliament) as those Acts have effect in the Isle of Man, except benefits under those Parts referred to in subsection (2) below, shall be charged to income tax as earned income for the year of assessment in which the benefit is paid. "; (b) for subsection (2)(a) substitute - "(a) Short-term incapacity benefit, long-term incapacity benefit, attendance allowance, the mobility component of disability living allowance, severe disablement allowance, maternity allowance, widow's payment, child's special allowance and guardian's allowance; and

General

The following is a list of taxable and non-taxable social security benefits:

TAXABLE	NON-TAXABLE
Unemployment Benefit	Sickness Benefit (ceased 6.4.95)
Family Income Supplement	Invalidity Benefit (ceased 6.4.95)
State Retirement Pensions	Attendance Allowance
Supplementary Benefit	Mobility Allowance (ceased 6.4.92)

(but not for the over 60 years)	Disability Living Allowance
Widow's Pension	(wef 6.4.92 mobility component)
Widowed Mother's Allowance	Severe Disablement Allowance
Job Release Payments	Maternity Allowance
Invalid Care Allowance	Widow's payment
Job Seeker's Allowance	Child's Special Allowance
	Guardian's Allowance
	Industrial Injuries Benefits
	Funeral Payments
	Child Benefit
	Short-term Incapacity Benefit
	Long-term Incapacity

Please Note:

Any amount which is added to a benefit in respect of a child is NOT taxable.