

## **Section 13 - Christmas Bonus and Winter Bonus**

Christmas Bonus

Winter Bonus

Variable Rate Winter Bonus

## CHRISTMAS BONUS

### 1. INTRODUCTION

#### 1.1 GENERAL

The Christmas Bonus is a lump sum payment awarded to certain customers who are in receipt of a qualifying benefit in the last complete benefit week in November (called “the relevant week”).

#### 1.2 The Christmas Bonus is -

- (i) non-taxable;
- (ii) non-contributory (although some of the benefits giving rise to entitlement to the bonus are contributory benefits); and
- (iii) not income-related (although some of the benefits giving rise to entitlement to the bonus are income-related benefits).

#### 2.1 BASIC QUALIFYING CONDITIONS

To be entitled to the Christmas Bonus a customer must be in receipt of one of the qualifying benefits for at least one day in the relevant week:

- Retirement Pension
- Long-term Incapacity Benefit
- Widowed Parent’s Allowance
- Carer’s Allowance
- Attendance Allowance
- Disability Living Allowance
- Unemployability Supplement or Allowance
- Income Support
- Family Income Supplement
- Disability Working Allowance
- Income-based Jobseeker’s Allowance
- Severe Disablement Allowance (transitionally protected cases)
- Widow’s Pension (transitionally protected cases)
- Widowed Mother’s Allowance (transitionally protected cases)
- Industrial Death Benefit.

A customer who is a member of a couple (whether married or not) will receive another Bonus in respect of his partner if he is entitled either to an increase in his qualifying benefit (e.g. Retirement Pension) or an additional allowance as part of his qualifying benefit (e.g. Income Support) in respect of his partner.

#### 2.2 ADDITIONAL QUALIFYING CONDITIONS FOR PERSONS UNDER THE AGE OF 60

Where the qualifying benefit to which a person who is aged under 60 at the end of the relevant week is entitled is either Income-based Jobseeker’s Allowance or Income Support, then for them to receive a Christmas Bonus they must have been in receipt of an income-related benefit, i.e. Income-based Jobseeker’s Allowance, Income Support, Disability Working Allowance or Family Income Supplement, throughout the 13 weeks leading up to the beginning of the relevant week.

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Where the qualifying benefit is Income-based Jobseeker's Allowance, entitlement to a Christmas Bonus will not arise if a person does not receive such an allowance for any day in the relevant week because they are under sanction or fail to actively seek work.

### 3. HOW TO CLAIM

The Bonus is paid automatically - no separate claim is required.

### 4. PAYMENT

The Bonus is normally paid with the qualifying benefit, though in some cases it may be paid by a separate cheque, which can be cashed at a Post Office or paid into a bank or building society account.

### 5. DIFFERENCE BETWEEN THE IOM AND UK

When it was first introduced in the UK in 1972, the Christmas Bonus was £10. It has never been increased in the UK but has been substantially increased in the IOM.

Also, it is payable to a wider range of persons on the IOM, notably certain people under pension age who have been receiving an income-related benefit (in certain circumstances).

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## WINTER BONUS

### 1. INTRODUCTION

#### 1.1 GENERAL

The Winter Bonus is a lump sum payment paid to certain persons who receive Income Support or Income-based Jobseeker's Allowance in respect of any day in the first week in January ("the relevant week").

#### 1.2 The winter bonus is -

- (i) non-taxable;
- (ii) non-contributory; and
- (iii) income-related.

#### 2.1 BASIC QUALIFYING CONDITIONS

To be entitled to the Winter Bonus, in respect of any day in the relevant week a person must

- have included in their applicable amount for Income Support or Income-based Jobseeker's Allowance an allowance for a child aged under 5; or
- be in receipt of a premium in respect of their own (or their partner's) age, incapacity or disability or in respect of a disabled child.

#### 2.2 ADDITIONAL QUALIFYING CONDITIONS FOR PERSONS UNDER THE AGE OF 60

Persons under the age of 60 on the last day of the relevant week must also have received a Christmas Bonus in the previous December to qualify for the Winter Bonus.

Only one Winter Bonus is payable per person or (unlike the Christmas Bonus) per couple.

Where the qualifying benefit is Income-based Jobseeker's Allowance, entitlement to a Winter Bonus will not arise if a person does not receive such an allowance for any day in the relevant week because they are under sanction or fail to actively seek work.

### 3. HOW TO CLAIM

The Bonus is paid automatically; no separate claim is required.

### 4. PAYMENT

The Bonus is paid with the person's Income Support or Income-based Jobseeker's Allowance.

### 5. DIFFERENCE BETWEEN THE IOM AND UK

The United Kingdom pays 2 types of payments in respect of the extra cost of heating incurred in winter

- lump-sum winter fuel payments to those aged 60 or over in the preceding September, irrespective of whether they receive any social security benefits; and
- weekly cold weather payments from its social fund to those living in areas where exceptionally cold weather has been forecast or recorded who satisfy qualifying conditions similar to those for the Winter Bonus.

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## VARIABLE RATE WINTER BONUS

### 1. INTRODUCTION

#### 1.1 GENERAL

The Variable Rate Winter Bonus (VRWB) is a lump sum payment paid to certain persons who have low incomes but who do not qualify for Income Support or Income-based Jobseeker's Allowance.

#### 1.2 The VRWB is –

- (i) non-taxable;
- (ii) non-contributory; and
- (iii) income-related

### 2. BASIC QUALIFYING CONDITIONS

To be entitled to a VRWB a person must

- not have entitlement to Income Support for the sole reason their income exceeds their "applicable amount" for Income Support (see page 56) by no more than £19.33 during the first complete week in January; and
- have included in their applicable amount for Income Support
  - an allowance for a child aged under 5, or
  - a premium in respect of their own (or their partner's) age, incapacity or disability, or
  - a premium in respect of a disabled child.

### 3. AMOUNT PAYABLE

The maximum rate of VRWB is set at the same rate as the Winter Bonus but the amount payable is reduced by £15 for every £1 of income a person has above their applicable amount for Income Support. The minimum amount of VRWB payable is £10.

Only one VRWB is payable per person or (unlike the Christmas Bonus) per couple.

### 4. HOW TO CLAIM

A claim for the VRWB is made by completing a claim form for Income Support. The completed claim form can be submitted any time during the period commencing 1<sup>st</sup> December and finishing one month following the first Monday in January. Once completed return to Markwell House, Market Street, Douglas or any of the district offices (see page 121).

### 5. PAYMENT

Where a successful claim is made before the first Monday in January payment of the Bonus will be made by cheque during the first full week in January. Thereafter, payment will be made as soon as possible.

### 6. DIFFERENCE BETWEEN THE IOM AND UK

The UK does not pay a Variable Rate Winter Bonus (but see page 91 for differences relating to the Winter Bonus).