



# Social Security News

Issue 92 May 2008

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.

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The relevant document number and costing is shown against each item.

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## In this issue:

**S.D. 287/08** applies to the Island two United Kingdom Parliament statutory instruments, the first of which amends the Jobseeker's Allowance Regulations in relation to "joint claims" whilst the second adds carcinoma of the nasopharynx to the list of prescribed diseases that may qualify a person for industrial injuries benefit.

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**S.D. 288/08** applies to the Island a United Kingdom Parliament statutory instrument which abolishes a concession which used to allow payments from centralised holiday pay schemes not to be subject to National Insurance contributions. However, the concession will remain in force for persons engaged in the construction industry for a further 5 years before being withdrawn completely.

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**S.D. 289/08** applies to the Island two United Kingdom Parliament statutory instruments, one of which sets the low earnings threshold for the 2008-09 tax year for the purpose of calculating entitlement to the State Second Pension, whilst the other provides for the annual revaluation of earnings factors relevant to the calculation of additional state pension.

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**DEPARTMENT OF HEALTH AND SOCIAL SECURITY**  
*Rheynn Slaynt as Shickyrys Y Theay*

[S.D. 291/08](#) applies to the Island one United Kingdom Parliament statutory instrument which provides for the annual increase in guaranteed minimum pensions, built up by members of defined benefit occupational pension schemes in the tax years 1988/89 to 1996/97.

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[S.D. 292/08](#) applies to the Island two United Kingdom Parliament statutory instruments relating to the 2008 annual uprating of those social security benefits which fall within the scope of the reciprocal agreement on social security between the Isle of Man and the United Kingdom.

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## **The Social Security Legislation (Benefits) (Application) Order 2008**

S.D. 287/08 Price: £1.20

This Order applies to the Island the legislation referred to in Article 2(1) of the Order, the provisions of which are summarised below. The applied legislation comes into force on 1<sup>st</sup> June 2008 in respect of the first set of Regulations and is deemed to have come into force on the same day as it did so in Great Britain (7<sup>th</sup> April 2008) in respect of the second set of Regulations.

### **The Jobseeker's Allowance (Joint Claims) Amendment Regulations 2008 (S.I. 2008/13)**

Childless couples usually have to make a claim jointly to qualify for an income-based jobseeker's allowance where at least one member of the couple was born after 28<sup>th</sup> November 1957. [Regulation 2\(2\)](#) amends the Jobseeker's Allowance Regulations 1996 so that joint claims will now have to be made by childless couples where at least one member of the couple was born after 28<sup>th</sup> November 1947.

[Regulation 2\(3\)](#) makes a further amendment to the Jobseeker's Allowance Regulations, allowing one member of a joint-claim couple to continue claiming a jobseeker's allowance where that member (but not the other) was entitled to an income-based jobseeker's allowance on 31<sup>st</sup> May 2008. This continued claim ends when the member who was not entitled on 31<sup>st</sup> May 2008 is required to attend a place specified by an employment officer.

[Regulation 2\(4\)](#) revokes regulation 3F of the Jobseeker's Allowance Regulations, which is a spent provision.

### **The Social Security (Industrial Injuries) (Prescribed Diseases) Amendment Regulations 2008 (S.I. 2008/14)**

These Regulations amend Part I of Schedule 1 to the Social Security (Industrial Injuries) (Prescribed Diseases) Regulations 1985, which prescribes diseases for which industrial injuries benefit is payable.

[Regulation 2](#) adds the disease nasopharyngeal cancer, as it relates to occupations involving working with wood, to the list of prescribed diseases.

## **The Social Security Legislation (Contributions) (Application) Order 2008**

S.D. 288/08 Price: £1.20

This Order applies to the Island the Social Security (Contributions) (Amendment No. 9) Regulations 2007, the provisions of which are summarised below. The applied legislation is deemed to have come into force on 6<sup>th</sup> April 2008.

## **The Social Security (Contributions) (Amendment No. 9) Regulations 2007 (S.I. 2007/2905)**

Regulation 1 provides for the citation, commencement and interpretation of the Regulations and defines certain terms used therein.

Regulation 2 amends Part 10 of Schedule 3 to the Social Security (Contributions) Regulations 2001 (as they have effect in the Isle of Man) by revoking paragraph 12, subject to a saving provision.

Paragraph 12 provided for the disregarding of holiday pay, derived from a fund to which more than one secondary contributor contributed, in the computation of earnings if none of the secondary contributors had management or control of the fund and the person making the payment to the earner was entitled to reimbursement from the fund.

The revocation will not apply for five years from the commencement of these Regulations in the case of holiday pay derived from an employed earner's employment where the secondary contributor is a person carrying on construction operations (within the meaning given by regulation 1(2)) and the earner was personally engaged in such operations at the time that entitlement to that pay accrued.

## **The Social Security Legislation (Pensions) (Application) Order 2008**

S.D. 289/08 Price: £1.35

This Order applies to the Island the legislation referred to in Article 2(1) of the Order, the provisions of which are summarised in the following paragraphs. The applied legislation is deemed to have come into force on the same day as the corresponding provisions came into force in Great Britain. Where necessary, the provisions have been applied to the Island administratively pending their application by order.

### **The Social Security Pensions (Low Earnings Threshold) Order 2008 (S.I. 2008/726)**

This Order directs that the low earnings threshold for the tax years following 2007-2008 shall be £13,500. The threshold for the tax year 2007-2008 was £13,000. The low earnings threshold is the amount by reference to which the three surplus earnings bands are determined for the purpose of calculating the additional pension (the state second pension) in a state retirement pension.

### **The Social Security Revaluation of Earnings Factors Order 2008 (S.I. 2008/730)**

This Order directs that the earnings factors relevant to the calculation of the additional pension in the rate of any long-term benefit or of any guaranteed minimum pension, or to any other calculation required under Part III of the Pension Schemes Act 1993, are to be increased for the tax years specified in the Schedule to the Order by the percentage of their amount specified in that Schedule.

The percentages specified in this Order for the tax years from and including 2000-01 are also relevant for the purposes of revaluing state scheme pension debits and credits in accordance with sections 45B(6), 55A(5) and 55B(6) of the Social Security Contributions and Benefits Act 1992 (pension sharing on divorce).

The percentage for the tax year 2007-2008 is 4.2 per cent., and those for earlier tax years have been increased so that the earnings factors for those years are revalued at 2007-08 earnings levels.

The Order also provides for the rounding of fractional amounts for earnings factors relevant to the calculation of the additional pension in the rate of any long-term benefit. Rounding for the purpose of the calculation of any guaranteed minimum pension is not required by virtue of section 23(2) of the Social Security Contributions and Benefits Act 1992.

## The Pension Schemes Legislation (Application) (No. 2) Order 2008

S.D. 291/08 Price: £0.85

This Order applies to the Island the legislation referred to in Article 2(1) of the Order, the provisions of which are summarised in the following paragraphs. The provisions of the applied legislation shall be deemed to have come into force on the same date as they came into force in Great Britain and have been applied to the Island administratively pending their formal application by order.

### **The Guaranteed Minimum Pensions Increase Order 2008 (S.I. 2008/581)**

This Order specifies 3 per cent. as the percentage by which that part of any guaranteed minimum pension 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. Under section 109(3) of the Pension Schemes Act 1993 the percentage to be specified is the actual percentage increase in the general level of prices in the period under review or 3 per cent., whichever is less.

## The Social Security Legislation (Benefits) (Application) (No. 2) Order 2008

S.D. 292/08 Price: £2.00

This Order applies to the Island two United Kingdom Parliament statutory instruments relating to the April 2008 uprating of those social security benefits which fall within the scope of the reciprocal agreement on social security between the Isle of Man and the United Kingdom.

### **The Social Security Benefits Up-rating Order 2008 (S.I. 2008/632)**

This Order applies to the Island the Social Security Benefits Up-rating Order 2008, made in exercise of the powers contained in the Social Security Administration Act 1992.

The Order, as applied, alters, with effect from the relevant dates in the week beginning 7<sup>th</sup> April 2008, the rates and amounts of certain benefits and other sums which fall within the scope of the reciprocal agreement on Social Security between the Isle of Man and the United Kingdom.

### **The Social Security Benefits Up-rating Regulations 2008 (S.I. 2008/667)**

Regulation 1 introduces the Regulations.

Regulation 2 provides that where a question has arisen about the effect of the Social Security Benefits Up-rating Order 2008 on a benefit already in payment, the altered rates will not apply until that question is determined by an adjudication officer, an appeal tribunal, the Social Security Commissioner, or the High Court (as the case may be).

Regulation 3 applies the provisions of regulation 5 of the Social Security Benefit (Persons Abroad) Regulations 1975 so as to restrict the application of the increases specified in the Up-rating Order in cases where the beneficiary lives in certain countries.

Regulation 4 raises from £180 to £185 and from £24 to £25 the earnings limits for child dependency increases payable with a carer's allowance.

Regulation 6 revokes the Social Security Benefits Up-rating Regulations 2007.