

RECOMMENDATION 1

The Isle of Man should:

- introduce a single-tier state pension, based on local needs;
- protect pension rights already built up;
- determine the affordable level of pension, based on a forecast that it will be around £180 per week;
- ensure that a contributions credit system is maintained so that those not able to work because of sickness, caring responsibilities, education or unemployment can still build up entitlement to a pension;
- ensure that the state pension age is appropriate to the life expectancy of Isle of Man residents;
- phase out the Manx Pension Supplement over a 20-year period (for new pension claims only).

RECOMMENDATION 2

The Isle of Man should:

- maintain the current overall structure of the National Insurance scheme;
- simplify where possible how National Insurance is calculated and collected;
- aim to have self-employed and employed people paying the same rate of contributions, so that they are entitled to the same benefits and build up the same state pension rights;
- remove contracting-out, but ensure that all employers with affected pension schemes are consulted and given sufficient notification of the change;
- help employers with the recruitment and retention of employees, but through collaboration between the Treasury and the Department of Economic Development rather than changes in National Insurance.

RECOMMENDATION 3

Treasury should consult further with employers and pension providers in the Isle of Man regarding the introduction of a compulsory workplace pension, and report back to Tynwald in July 2016 on the feasibility of the proposal.

RECOMMENDATION 4

The Isle of Man should:

- introduce a single Manx benefit which will support people both out of and in work;
- strengthen the rules which allow the withholding or reduction of benefits for claimants who fail to meet their obligations;
- ensure that claimants who can work will be better off if they do so;

- introduce increased monitoring and checking of claimants' rights to benefits;
- provide a job, training or work experience for the long-term unemployed, coupled with sanctions or loss of benefit for those who refuse to engage;
- keep under review the number and type of Government services provided at reduced cost to those on means-tested benefits;
- introduce a benefit cap.

RECOMMENDATION 5

The Isle of Man should ensure a reciprocal agreement with the UK is maintained which takes account of social security reforms in both countries and which allows people to move between both countries while protecting their entitlement to National Insurance funded benefits.