

Civil Legal Aid

Financial eligibility for Legal Aid

Prescribed Amounts - 2019

This booklet explains how we calculate if someone is financially eligible for Legal Aid. It gives examples of people who qualify for Legal Aid, people who don't qualify for Legal Aid, and people who will be asked to pay a contribution.

If you receive one of the qualifying Isle of Man Social Security benefits you will automatically be financially eligible for Legal Aid. These are:

- Income Support
- Employed Person's Allowance
- Income based Jobseeker's Allowance

If you're not on one of the qualifying benefits, we will ask you to give us evidence of your income and expenditure.

This is called 'financial determination' and we do this to check whether you are:

- Eligible for free advice
- Partially eligible and required to pay a contribution
- Not eligible and liable to meet the full costs yourself

We calculate this by looking at:

- The amount the law says you need to live on
- Your income
- Your housing costs
- Your childcare costs

The prescribed amounts are reviewed every year and published on our website.

This document provides general guidance only and does not give an authoritative statement of the law.

For more information about Legal Aid and the financial merits test see www.gov.im/legalaid or contact the Legal Aid Office at legalaid.treasury@gov.im or by phone on 685977.

The prescribed amount is made up of 4 parts:

Part 1 – You and your family

An amount for you, your partner and your family (if you have one).

£190.82 per week	for a single person
£293.55 per week	for a married couple with no children
£316.20 per week	for a family with one dependent child under the age of 20 or a disabled adult (you must be getting Child Benefit for the child)

An extra

£65.45 per week	for each additional dependent child under the age of 20 or additional disabled adult
£44.45 per week	for a disabled child

Part 2 – Hours of Employment

Persons working for 24 hours or more each week are entitled to an additional **£34.95 per week**.

Part 3 – Housing Costs

If you are responsible for housing costs (rent or loan interest) an additional amount is allowed. This is subject to a maximum amount for those who own their property or are in rented accommodation.

The maximum amounts are as follows:

£119.00 per week	for a single person or couple with no children
£169.50 per week	for a lone parent or couple with 1 child

£183.00 per week	for a lone parent or couple with 2 children
£202.00 per week	for a lone parent or couple with 3 or more children

If the amount you pay is less than the relevant maximum amount you will only be credited with the amount you actually pay.

You will be given an additional allowance if you are responsible for paying rates. This is 95% of the annual rates charge divided by 52 to give a weekly amount.

If you live in your own property and are responsible for the maintenance and insurance of that property, a further amount of **£14.20 per week** is allowed.

If you live as a lodger with someone else, the amount allowed for your housing costs is **£58.35 per week**.

If you live with family (for example a single parent living with their parents) the amount allowed for housing costs is **£15.35 per week**.

If you have a non-dependant or group of non-dependants living in your home we will deduct **£28.10 per week** from your housing costs allowance.

Part 4 – Child Care Charges

If you are paying a registered child-minder, nursery or other approved organisation, subject to certain conditions, we may include an allowance for this when calculating your prescribed amount.

The allowance is subject to the following maximum amounts:

For people who work **less** than 24 hours per week

£143.50 per week	for a child aged under 2
£122.00 per week	for a child aged 2 or over

For people who work **more** than 24 hours per week

£205.00 per week	for a child aged under 2
£174.00 per week	for a child aged 2 or over

If the amount you pay is less than the relevant maximum amount you will only be credited with the amount you actually pay.

Financial Determination – Examples

Example 1

A single person who pays rent at £475.00 per month and works 37 hours per week at £7.85 per hour.

Income	Per week
Earnings (after National Insurance (NI) and Income Tax deductions)	£270.12
Income total	£270.12
Prescribed Amount	
Basic Amount	£190.82
Housing costs	£109.62
Additional amount for working plus 24 hours	£34.95
Prescribed Amount total	£335.39
Net Resources	
Income total minus Prescribed Amount total	-£65.27

This person would qualify for free Legal Aid as their total income is less than the prescribed amount total.

Example 2

A single person who lives with a parent and receives Incapacity Benefit.

Income	Per week
Incapacity Benefit	£84.65
Income total	£84.65
Prescribed Amount	
Basic Amount	£190.82
Housing costs	£15.35
Prescribed Amount total	£206.17
Net Resources	
Income total minus Prescribed Amount total	-£121.52

This person would qualify for free Legal Aid as their total income is less than the prescribed amount total.

Example 3

A married couple with two children aged 8 and 3. One of them works 37 hours per week and the net wage after National Insurance and Income Tax deductions is £320.00 per week. The other partner works 21 hours per week and the net wage is £158.80.

They pay a mortgage of £620.00 per month. The outstanding balance on the loan is £110,000.00 and the current interest rate is 3.8%*. The couple are also responsible for the payment of rates and maintenance and insurance.

They have savings of £13,500.00 and they pay £150.00 per week child minding fees to a registered child minder.

Income	Per week
First Partner's earnings	£320.00
Second Partner's earnings	£158.80
Assumed income from savings	£2.00
Income total	£480.80
Prescribed Amount	
Basic Amount	£381.65
Housing costs: mortgage interest ($£110,000 \times 3.8\% \div 52$)	£80.39
Housing costs: rates ($£400.00 \times 95\% \div 52$)	£7.31
Housing costs: maintenance and insurance	£14.20
Additional amount for working more than 24 hours	£34.95
Childcare costs	£150.00
Prescribed Amount total	£668.50
Net Resources	
Income total minus Prescribed Amount total	-£187.70

* The formula we use to calculate the weekly prescribed amount for housing in relation to a capital mortgage is:

Total outstanding on the loan \times the percentage interest rate \div 52

This person would qualify for free Legal Aid as their total income is less than the prescribed amount total.

Example 4

A couple with three children paying rent and rates of £52.00 per week for public sector housing. An adult relative lives with them. One partner is self-employed and works, on average, 35 hours per week, paying £10.00 towards a private pension.

The other partner (co-habitee) is receiving Incapacity Benefit of £61.25 per week.

The profit and loss accounts submitted to the Legal Aid Office show that the weekly profit from self-employment is £189.00 per week minus National Insurance contribution of £2.20.

Income	Per week
Earnings – profit from self-employment	£186.80
Partner’s Incapacity Benefit	£82.65
Minus 50% contribution to occupational pension	-£5.00
Income total	£264.45
Prescribed Amount	
Basic Amount	£447.10
Housing costs: (50 week year)	£50.00
Minus assumed rent contribution from relative	-£28.10
Additional amount for working more than 24 hours	£0.00
Prescribed Amount total	£469.00
Net Resources	
Income total minus Prescribed Amount total	-£204.55

This person would qualify for free Legal Aid as their total income is less than the prescribed amount total.

Example 5

A single person who pays rent at £800.00 per month. Works full time and earns £425.75 per week after National Insurance and Income Tax deductions.

Income	Per week
Earnings (after NI and Income Tax deductions)	£425.75
Income total	£425.75
Prescribed Amount	
Basic Amount	£190.82
Housing costs (<i>limited to a maximum</i>)	£119.00
Additional amount for working plus 24 hours	£34.95
Prescribed Amount total	£344.77
Net Resources	
Income total minus Prescribed Amount total	£80.98

This person would **not** be eligible for Legal Aid as their net resources equate to £4,210.96 per year (i.e. £80.98 x 52) and are therefore above the maximum limit of £4,000.00 per year.

Example 6

A married couple with two children under 13. One partner works 37 hours per week and the net wage after National Insurance and Income Tax deductions is £600.00 per week. The other partner works 21 hours per week and the net wage is £158.62.

They pay an endowment mortgage of £620.00 per month and are also responsible for the payment of rates, maintenance and insurance.

They have savings of £21,500.00 and they pay £250.00 per week child minding fees to a registered child minder.

Income	Per week
First Partner's earnings	£600.00
Second Partner's earnings	£158.62
Assumed income from savings	£34.00
Income total	£792.62
Prescribed Amount	
Basic Amount	£381.65
Housing costs: Mortgage Interest	£143.08
Housing costs: Rates (£400.00 x 95% ÷ 52)	£7.31
Housing costs: Maintenance and Insurance	£14.20
Additional amount for working plus 24 hours	£34.95
Childcare costs (<i>subject to maximum allowance</i>)	£205.00
Prescribed Amount total	£786.19
Net Resources	
Income total minus Prescribed Amount total	£6.43

This person would be eligible for Legal Aid as their net resources equate to £334.36 per year (i.e. £6.43 x 52) and therefore fall within the contributory limits. This person would have to contribute a maximum total of £668.72, this total being double the amount of their net resources per year.

Definitions

Term	Definition
Co-habitee	One of two persons living together as spouses/ a couple including same sex couples.
Contribution	The amount you are required to pay towards the cost of your Advocate.
Determination	The process to decide whether you qualify for legal aid.
Eligibility	Entitlement to legal aid.
Income	The amount of money you receive from all sources.
Net Resources/Disposable Income	The amount by which your income exceeds the prescribed amount.