

Social Security News

Issue 175 February 2020

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.

Copies of the Order and Regulations referred to in this bulletin may be obtained from:

Tynwald Library, Legislative Buildings, Douglas, IM1 3PW.

Tel: 01624 685520

Email: library@tyrwald.org.im

Website: www.tyrwald.org.im/links/tls

The relevant document number is shown against the item.

For more details on the Order and Regulations described in this newsletter

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In this issue:

SD2020/0020 relates to the annual uprating of certain social security benefits, allowances and state pensions which come into effect (in most cases) from the week commencing 6th April 2020.

SD2020/0021 provides that where a question has arisen about the effect of the Social Security Benefits Uprating Order 2020 (SD2020/0020) on a benefit already in payment, the altered rates will not apply until that question is determined by an adjudication officer, the social security appeal tribunal or the Social Security Commissioner. It also restricts the application of the increases specified in the Social Security Benefits Uprating Order 2020 in cases where the beneficiary is not ordinarily resident in the IOM.

SD2020/0022 amends the Pension Supplement Scheme 2001. The changes made reduce the percentages by which the rate of basic pension and other qualifying benefits are multiplied in calculating the rate of pension supplement payable from 6th April 2020, in order to avoid what would otherwise be automatic increases in the rates payable. It also increases the earnings limits for child dependency increases payable with carer's allowance.

SD2020/0023 amends the Pension (Top-up) Order 2016, so that persons entitled to a pension top-up immediately before 8th April 2019 will benefit from a 3.9% increase in the rate of their top-up (the same rate of increase as for basic state pension) from 6th April 2020.



Isle of Man
Government

Reilrys Ellan Vannin

The Treasury

Yn Tashtey

SD2020/0024 reduces the weekly amount of the mobility premium in the Income Support Regulations in a particular circumstance – from £6.35 to £6.15 – from 6th April 2020.

SD2020/0025 reduces the weekly amount of the mobility premium in the Jobseeker's Allowance Regulations in two particular circumstances – from £6.35 to £6.15 – from 6th April 2020.

Social Security Benefits Upating Order 2020

SD2020/0020

This Order ("the 2020 Upating Order") relates to the annual upating of certain social security benefits, allowances and state pensions applying in the IOM which come into effect from the week commencing 6th April 2020.

Most benefit rates and allowances will increase in line with either the IOM CPI of 1.1% or the UK CPI of 1.7%, depending on the benefit concerned. Exceptions to this include -

- Both the basic state retirement pension and the single tier Manx state pension (up to the full amount) will increase by 3.9%. The rates of additional state pension and transitional Manx state pension (i.e., "protected amounts" above the full amount) will increase by 1.7%, in line with UK inflation;
- The rate of the nursing care contribution will increase by 3.6%;
- Child benefit rates will increase by 2.0%;
- Attendance Allowance and Disability Living Allowance rates will generally increase by 2.0%;
- The rates of allowances in income-related benefits for the first or only child in a family will increase by £7.45pw;
- Income support pensioner, disability and disabled child premiums will increase by 5.2%; and
- The basic allowances for employed person's allowance will increase by 1.6% for non-disabled workers and by 5.7% for disabled workers.

Social Security Benefits Upating Regulations 2020

SD2020/0021

These Regulations provide that where a question has arisen about the effect of the Social Security Benefits Upating Order 2020 ("the Upating Order") on a benefit already in payment, the altered rates will not apply until that question is determined by an adjudication officer, the social security appeals tribunal or the Social Security Commissioner.

The Regulations also apply the provisions of regulation 5 of the Social Security Benefit (Persons Abroad) Regulations 1975 (as they have effect in the Island) so as to restrict the application of the increases specified in the Upating Order in certain cases where the beneficiary is not ordinarily resident in the Isle of Man (note: beneficiaries living in certain countries do not receive annual increases in their state pensions).

They also increase the earnings limits for child dependency increases payable with carer's allowance.

Pension Supplement (Amendment) Order 2020

SD2020/0022

This Order amends the Pension Supplement Scheme 2001 ("the Scheme"). Despite its revocation, the Scheme continues to have effect in the case of certain persons, including those who were entitled to a supplement under the Scheme immediately before 6 April 2019.

The changes made reduce the percentages by which the rate of basic state retirement pension and other legacy bereavement benefits are multiplied in calculating the rate of pension supplement payable from 6th April 2020.

For people who get a Category A or Category B retirement pension, the percentage is reduced from 41.602% to 40.037 %. For people who get widowed mother's allowance, widow's pension and widowed parent's allowance, the percentage is reduced from 44.078% to 43.337%.

As a result of these reductions, the rates of pension supplement payable in 2020/21 will be the same as in 2019/20 (for example, £53.75 per week with a 100% Category A retirement pension).

Pension (Top-up) (Amendment) Order 2020 SD2020/0023

This Order amends the Pension (Top-up) Order 2016.

The changes made mean that persons entitled to a pension top-up immediately before 6th April 2020 will benefit from a 3.9% increase in the rate of their top-up (the same percentage increase as for basic state pension) from 6th April 2020.

The changes also mean that persons who become entitled to a top-up on or after 6th April 2020 will qualify for a top-up at the rate equal to the difference between their notional state pension entitlement under the old state retirement pension rules and their actual entitlement under the new Manx state pension rules.

Income Support (General) (Isle of Man) (Amendment) Regulations 2020 SD2020/0024

These Regulations amend the Income Support (General) (Isle of Man) Regulations 2000.

They reduce the weekly amount of the mobility premium in a particular circumstance - from £6.35 to £6.15 - from 6 April 2020.

The mobility premium is applicable in that amount to a person claiming income support who is, or whose partner is, aged 65 or over and –

- who gets the lower rate mobility component of disability living allowance, and
- would be entitled to the higher rate mobility component of disability living allowance but for section 75 of the Social Security Contributions and Benefits Act 1992, as it has effect in the Island.

Section 75 of the Social Security Contributions and Benefits Act provides that a person is not entitled to disability living allowance ("DLA") for any period after reaching state pension age unless they were awarded DLA before reaching state pension age.

Social Security Legislation (Benefits) (Application) (Amendment) Order 2020 SD2020/0025

This Order amends the Jobseeker's Allowance Regulations 1996 as they are applied to the Island.

They reduce the weekly amount of the mobility premium in two particular circumstances - from £6.35 to £6.15 - from 6 April 2020.

The mobility premium is applicable in that amount to a person whose partner is claiming income-based jobseeker's allowance and to a member of a joint-claim couple who is claiming income-based jobseeker's allowance, who –

- is aged 65 or over,
- is in receipt of the lower rate mobility component of disability living allowance, and
- would be entitled to its higher rate mobility component but for section 75 of the Social Security Contributions and Benefits Act 1992, as it has effect in the Island.

Section 75 of the Social Security Contributions and Benefits Act provides that a person is not entitled to disability living allowance ("DLA") for any period after reaching state pension age unless they were awarded DLA before reaching state pension age.