

# Social Security News

Issue 180 July 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](mailto:library@tyrwald.org.im)

Website: [www.tynwald.org.im/links/tls](http://www.tynwald.org.im/links/tls)

Social Security legislation is available [online](#).

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:

**SD2020/0265** further postpones the lowering from 12 years to 6 years the age below which the youngest or only child in the family of a lone parent must be for that lone parent to be eligible for income support solely on the basis that they are a lone parent. The change will have effect from 8 April 2021.

**SD2020/0326** applies to the Island the following statutory instruments of the United Kingdom Parliament.:

- The Social Security (Miscellaneous Amendments) Regulations 2015
- The Social Security Revaluation of Earnings Factors Order 2020

The first of these instruments amends provisions relating to Maternity Allowance, whilst the second provides for the annual revaluation of earnings factors relevant to the calculation of the additional state pension



**Isle of Man**  
Government  
*Reiljys Ellan Vannin*

The Treasury

**SD2020/0327** makes a number of minor amendments to the Social Security Contributions and Benefits Act 1992 as that Act of the United Kingdom Parliament is applied in the Island. It includes new provision providing that, for the purpose of entitlement to certain social security benefits, allowances and increases, a person who is not entitled to child benefit for any week in a tax year only because their reckonable income in relation to that week is more than the upper income threshold in relation to that year, is to be treated as being entitled to child benefit for that week.

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**SD2020/0328** provides that it shall be for a contributions decision-maker to decide whether a person is entitled to be credited with earnings or contributions for any tax year to help them qualify for Manx state pension, and to increase the amount of pension payable to them. It also omits provision in consequence of provision made under the Marriage and Civil Partnership (Amendment) Act 2016 for opposite sex civil partnerships.

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**SD2020/0329** amends a number of sets of UK social security regulations as they have effect in the Island. It also revokes existing social security legislation relating to former arrangements whereby persons could defer entitlement to a state retirement pension in exchange for an increase of pension or lump sum when the person ultimately claimed their pension are revoked, with savings. Those arrangements were discontinued for new pensioners in April 2016 and no similar ones exist for Manx state pension.

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**SD2020/0330** specifies 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 from 6th April 2020.

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**SD2020/0331** amends the Pensions Act 2014 of Parliament ("the Act") as it is applied to the Island. It provides that any power of the Treasury under the Act to make consequential, incidental or supplementary provision in connection with any provision made by the Act (including amending, repealing, revoking or modifying any enactment); or transitional, transitory or saving provision in connection with the application to the Island of any provision of the Act, may now be made by way of regulations rather than by order. The changes made by the Order apply to the Act's social security provisions.

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**SD2020/0332** amends the Pensions Act 2014 of Parliament ("the Act") as it is applied to the Island. It provides that any power of the Treasury under the Act to make consequential, incidental or supplementary provision in connection with any provision made by the Act (including amending, repealing, revoking or modifying any enactment); or transitional, transitory or saving provision in connection with the application to the Island of any provision of the Act, may now be made by way of regulations rather than by order. The changes made by the Order apply to the Act's pension schemes provisions.

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**SD2020/0333** amends the Maternity and Funeral Expenses (General) (Isle of Man) Regulations 2007. It clarifies that for the purposes of a funeral payment costs can be claimed in respect of any new burial plot irrespective of whether that involves an exclusive right to the plot; and any costs relating to death certification. It also provides contributions received from charitable funds or certain relatives are no longer to be deducted from the amount of a funeral payment which would otherwise be payable; and any arrears of Manx state pension and Manx earnings replacement allowance (MERA) payable to the deceased at the date of death and available to the responsible person (or another member of the responsible person's family) without grant of probate or letters of administration are to be disregarded.

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**SD2020/0352** enables the date for the ending of all residual entitlements to Manx earnings replacement allowance ("MERA") to be changed by the Treasury publishing a notice doing so in an appropriate way and laying the notice before Tynwald. The weekly and daily rates of MERA payable to a person, and the maximum amount of weekly earnings a person can have and maintain entitlement to MERA, for any period, may be increased or reduced in the same way.

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**SD2020/0361** suspends the application of time-based reductions in personal allowances for income-based jobseeker's allowance for 12 months – from 2 March 2020 to 28 February 2021.

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**SD2020/0363** amends one of the qualifying conditions which a person must satisfy to qualify for Manx earnings replacement allowance ("MERA") to provide that the person's latest period of unemployment must have begun before 1 August 2020.

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**SD2020/0383** provides for the making of a Coronavirus Support Payment - or "CSP" - to certain social care staff who are isolating themselves from other people to prevent infection or contamination with coronavirus in accordance with public health guidance and who aren't paid by their employer whilst they're absent from work.

## **Income Support (General) (Isle of Man) (Amendment) (No. 4) Regulations 2020** SD2020/0265

Schedule 1 to the Income Support (General) (Isle of Man) Regulations 2000 prescribes the categories of person who are eligible to claim income support

Those categories include a lone parent who has at least one child under 12.

The Income Support (General) (Isle of Man) (Amendment) Regulations 2019 ("the 2019 Regulations") which were approved by Tynwald in May 2019 lower – from 12 years to 6 years – the age below which the youngest or only child in the family of a lone parent must be for that lone parent to be eligible for income support solely on the basis that they are a lone parent. They provided that the change was to have effect from 2 April 2020.

However, the Income Support (General) (Isle of Man) (Amendment) (No. 3) Regulations 2020 – approved by Tynwald in March 2020 - provided that the change was instead to come into operation on 8 October 2020.

These regulations now further postpone that change until 8 April 2021. They also amend the savings provisions in regulation 5 of the 2019 Regulations accordingly

## **Social Security Legislation (Benefits) (Application) (No. 4) Order 2020** SD2020/0326

This Order applies to the Island two statutory instruments of the United Kingdom Parliament.

### *The Social Security (Miscellaneous Amendments) Regulations 2015*

These regulations remove provision whereby a woman is to be disqualified from receiving maternity allowance if, during the maternity allowance period, she fails without good cause to take due care of her health or to answer questions as to whether she is doing so.

### *The Social Security Revaluation of Earnings Factors Order 2020*

This Order directs that the earnings factors relevant to the calculation of the additional state pension in the rate of any long-term benefit or of any guaranteed minimum pension, or to any other calculation required under Part 3 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 the Order for the tax years from 2000-01 onwards are also relevant for the purposes revaluing state scheme pension debits and credits.

The percentage for the tax year 2019/2020 is 4.0%. The percentages for earlier tax years are increased so that the earnings factors for those years are revalued at 2019/2020 earnings levels.

Revaluation Orders such as this one are made each year to revalue historic earnings factors in line with the movement in average earnings in Great Britain. Earnings factors are the formulae for converting flat-rate and earnings-related National Insurance contributions into entitlement to flat-rate and earnings-related benefits, and for calculating earnings-related entitlements over a person's working life.

This annual revaluation exercise allows earnings factors derived from historic earnings to be restated at current values as part of the calculation of pensioners' entitlement to additional state pension.

Earnings factors are also used to calculate the Guaranteed Minimum Pension for early leavers and retired persons in contracted-out salary-related pension schemes.

### **Social Security Contributions and Benefits Act 1992 (Application) (Amendment) (No. 8) Order 2020**

SD2020/0327

This Order makes a number of minor amendments to the Social Security Contributions and Benefits Act 1992 as that Act of the United Kingdom Parliament is applied in the Island.

New provision is inserted into sections 37, 39A, 56, 77 and 80 and Schedule 7 providing that, for the purpose of entitlement to certain social security benefits, allowances and increases, a person who is not entitled to child benefit for any week in a tax year only because their reckonable income in relation to that week is more than the upper income threshold in relation to that year, is to be treated as being entitled to child benefit for that week. Section 122 is amended consequentially.

Provision in section 135(5) and (6) as to the applicable amount in relation to income support is omitted.

Minor amendments are made to section 77 (entitlement to guardian's allowance) and Schedule 10 (priority between persons entitled to child benefit) to reflect provision made under the Marriage and Civil Partnership (Amendment) Act 2016 for opposite sex civil partnerships.

### **Social Security Act 1998 (Application) (Amendment) (No. 2) Order 2020**

SD2020/0328

This Order makes two changes to the Social Security Act 1998 as it is applied in the Island.

The first change provides that it shall be for a contributions decision-maker to decide whether a person is entitled to be credited with earnings or contributions for any tax year to help them qualify for Manx state pension and to increase the amount of pension payable to them. This mirrors existing provision relating to other social security benefits entitlement to which depends on a person satisfying contribution conditions.

The second change omits provision in consequence of provision made under the Marriage and Civil Partnership (Amendment) Act 2016 for opposite sex civil partnerships.

### **Social Security Legislation (Benefits) (Application) (Amendment) (No. 8) Order 2020**

SD2020/0329

This Order amends a number of sets of UK social security regulations as they have effect in the Island. It also revokes existing social security legislation which is redundant.

The changes made –

- update cross-references to other social security regulations;
- reflect the extension to surviving civil partners of the same inheritance rights as apply to widowers in respect of a deceased person's graduated retirement benefit;

- clarify the treatment of earnings paid following the termination of employment, etc. in the case of persons claiming jobseeker’s allowance; and
- insert new provision in legislation relating to entitlement to guardian’s allowance for illegitimate children to reflect provision in law for opposite-sex civil partnerships.

Regulations applied to the Island (and the legislation doing so) relating to former arrangements whereby persons could defer entitlement to a state retirement pension in exchange for an increase of pension or lump sum when the person ultimately claimed their pension are revoked, with savings. Those arrangements were discontinued for new pensioners in April 2016 and no similar ones exist for the Manx state pension.

### Pension Schemes Legislation (Application) (No. 2) Order 2020

SD2020/0330

This Order applies to the Island one statutory instrument of the United Kingdom Parliament relating to occupational pension schemes.

The instrument applied specifies 1.7% 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 from 6 April 2020.

### Pension Schemes Act 2014 (Application) (Amendment) Order 2020

SD2020/0331

This Order amends the Pensions Act 2014 of Parliament (“the Act”) as it is applied to the Island as follows.

Any power of the Treasury under the Act to make –

- consequential, incidental or supplementary provision in connection with any provision made by the Act (including amending, repealing, revoking or modifying any enactment); or
- transitional, transitory or saving provision in connection with the application to the Island of any provision of the Act,

may now be made by way of regulations rather than by order.

Any regulations made under the Act in consequence of these provisions shall not have effect unless they are approved by Tynwald.

The changes made by the Order apply to the Act’s **social security** provisions.

### Pension Schemes Act 2014 (Application) (Amendment) (No. 2) Order 2020

SD2020/0332

This Order amends the Pensions Act 2014 of Parliament (“the Act”) as it is applied to the Island as follows.

Any power of the Treasury under the Act to make –

- consequential, incidental or supplementary provision in connection with any provision made by the Act (including amending, repealing, revoking or modifying any enactment); or
- transitional, transitory or saving provision in connection with the application to the Island of any provision of the Act,

may now be made by way of regulations rather than by order.

Any regulations made under the Act in consequence of these provisions shall not have effect unless they are approved by Tynwald.

The changes made by the Order apply to the Act's **pension schemes** provisions.

## **Maternity and Funeral Expenses (General) (Isle of Man) (Amendment) Regulations 2020**

SD2020/0333

These Regulations amend the Maternity and Funeral Expenses (General) (Isle of Man) Regulations 2007 which, among other things, provide for the calculation and making of funeral payments, as follows.

They clarify that for the purposes of a funeral payment costs can be claimed in respect of –

- any new burial plot irrespective of whether that involves an exclusive right to the plot; and
- any costs relating to death certification

They also provide that –

- contributions received from charitable funds or certain relatives are no longer to be deducted from the amount of a funeral payment which would otherwise be payable; and
- any arrears of Manx state pension and Manx earnings replacement allowance (MERA) payable to the deceased at the date of death and available to the responsible person (or another member of the responsible person's family) without grant of probate or letters of administration are to be disregarded.

They also omit reference to the now defunct universal funeral payment.

## **Social Security Contributions and Benefits Act 1992 (Application) (Amendment) (No. 9) Order 2020**

SD2020/0352

This Order enables the date for the ending of all residual entitlements to Manx earnings replacement allowance ("MERA") to be changed by the Treasury publishing a notice doing so in an appropriate way and laying the notice before Tynwald.

The weekly and daily rates of MERA payable to a person, and the maximum amount of weekly earnings a person can have and maintain entitlement to MERA, for any period, may be increased or reduced in the same way.

## **Social Security Legislation (Benefits) (Application) (Amendment) (No. 9) Order 2020**

SD2020/0361

In most cases, a person claiming jobseeker's allowance (JSA) will have their income-based personal allowance reduced by 20% once they have been getting JSA for 6 months (or in exceptional cases 12 months). Jobseekers will have their personal allowance reduced by a further 10% after 9 months of entitlement to JSA and by another 10% (so 40% in total) after 12 months of entitlement. No further increase in the amount of the reduction is made beyond 40%, regardless of how long a jobseeker continues to be entitled to JSA. In exceptional circumstances these reductions apply after 12, 15 and 18 months of entitlement. Other JSA allowances (for dependent children, housing costs, etc.) are unaffected by how long a person has been getting JSA for. This Order provides that any period of entitlement to JSA falling in the 12-month period beginning on 2 March 2020 (taken to be the outbreak of coronavirus in the Island) and ending on 28 February 2021 is not to be counted when determining whether a jobseeker is to have their income-based personal allowance reduced because of the length of time for which they have been getting JSA. Corresponding amendments are made in relation to persons claiming JSA who are boarders.

## Social Security Contributions and Benefits Act 1992 (Application) (Amendment) (No. 10) Order 2020

SD2020/0363

This Order amends one of the qualifying conditions which a person must satisfy to qualify for Manx earnings replacement allowance ("MERA").

In future, in order for a person to satisfy the "Unemployed but available for, and capable of, work condition", the person's latest period of unemployment must have begun before 1 August 2020.

## Social Care Staff (Coronavirus) Support Payment Order 2020

SD2020/0383

This Order provides for the making of a payment Coronavirus Support Payment – referred to as a "CSP" in the Order - to certain social care staff who are isolating themselves from other people to prevent infection or contamination with coronavirus in accordance with public health guidance.

The Order has 9 Parts, as follows –

- Part 1 is introductory;
- Part 2 specifies the conditions of entitlement to a CSP;
- Part 3 specifies the rate of payment of a CSP;
- Parts 4 and 5 deal with claims for, and payments of, a CSP;
- Part 6 deals with decisions and appeals relating to a CSP;
- Part 7 deals with overpayments and adjustments, enforcement and information relating to CSP;
- Part 8 provides for a CSP and related expenses to be paid out of the Manx National Insurance Fund; and
- Part 9 provides that a CSP is inalienable.

To qualify for a CSP a person must –

- make a claim using the approved form, within one month;
- be at least 18 years old, but below state pension age;
- be present and ordinarily resident in the Island and have been ordinarily resident in the Island for at least 13 of the 26 weeks immediately prior to the date of their claim;
- not be entitled to certain other social security benefits;
- make a self-isolation declaration; • not have returned to the Island from elsewhere in the last 4 weeks;
- be employed by a person carrying on or managing certain social care services;
- have been in employed earner's employment for at least 13 of the 26 weeks immediately prior to the date of their claim, earning on average at least £150 per week;
- not be paid any earnings from their employer during the period of their self-isolation; and
- not have been entitled to a CSP for an earlier separate period, or been entitled to a CSP for an earlier separate period which ended at least 56 days earlier.

A CSP is payable at the standard rate of £150 per week, or £21.43 per day.