

Social Security

Budgeting Loans and Exceptional Needs Grants

Budgeting Loans

What are Budgeting Loans?

A Budgeting Loan is an interest-free loan paid by the Social Security Division of the Treasury to help you meet the cost of one-off items which are difficult to budget for over a period of time.

Who can qualify for a Budgeting Loan?

To qualify for a Budgeting Loan you or your partner must be getting income support or income-based jobseeker's allowance. However, if you or your partner are getting employed person's allowance you may be able to get a loan following a fire or flood in your home. You must also be able to meet other qualifying conditions specific to the item or service you need help with.

What can you get a Budgeting Loan for?

Budgeting Loans are paid to help you meet the cost of the following items –

- The purchase, delivery and installation of certain items of furniture or household equipment and any removal costs associated with moving to a new home in the Island;
- The purchase, delivery and installation of certain items of furniture or household equipment which are worn out, defective or unsafe or have been destroyed, or are needed because a person has recently become a member of your family;
- Deposits for rent, board and lodging charges, gas or electricity or the initial supply of heating oil after you have moved into new accommodation;
- Essential repairs to, or maintenance of, your home or for redecorating your home;
- Clothing or footwear for you or a member of your family, but not to replace old clothes or footwear which have simply been worn out or outgrown;
- To replace cash which you have lost, had stolen or destroyed (Note: from 9 July 2013 we can pay a loan in respect of lost cash only once in a person's lifetime. Any loans paid in respect of lost cash before this date will be ignored);
- The purchase, delivery and installation of certain items of furniture or household equipment lost or destroyed following a disaster, such as a fire or flood;
- The initial lump-sum payment when leasing a vehicle under the Motability Scheme;
- Reusable cotton nappies.

We cannot pay Budgeting Loans towards the cost of any other types of items or services.



Isle of Man
Government
Reiljys Ellan Vannin

The Treasury

Amount of Budgeting Loan payable

The maximum amount of any Budgeting Loan you can have depends on the size of your family and whether you have any other Budgeting Loans or any overpayments of benefit that still have to be paid back.

A loan is calculated based on the rules governing the individual item or service you have claimed for.

The maximum loan payable in any case is –

- £750 – if you do not have a partner or children;
- £850 – if you have a partner, but you do not have children;
- £1000 – if you are a lone parent, or if you and your partner have children.

We cannot pay a loan –

- If you or your partner still owe £500 or more for a previous Budgeting Loan or a benefit overpayment;
- For less than £30 (unless you are claiming for cash which has been lost, stolen or destroyed); or
- If you or your partner has received a Budgeting Loan for any item within the last 2 years, ignoring any loan paid to you or your partner before 9 July 2013. This rule does not apply to loans to meet the initial lump-sum payment when leasing a car under the Motability Scheme.

Effect of savings on a Budgeting Loan

If you or your partner have savings of up to £1000, these are ignored when we decide whether you qualify for a Budgeting Loan. If your savings are more than £1,000 then the maximum loan we can pay you is reduced by the amount of your savings over £1,000. For example, if you are eligible for a loan of £500 and you and your partner have savings of £1,300 we can only pay you a loan of up to £200 (£500 – (£1,300 – £1,000)).

Effect of an outstanding loan on a Budgeting Loan

If you or your partner have not fully repaid any Budgeting Loan previously awarded to you, or either of you have not repaid benefit overpaid to you, you will only be able to receive a further loan of the maximum payable in your circumstances less twice the amount you still owe. For example, if you had a loan of £400 and still owe us £150 and you would be eligible for a further loan of £600 you will only receive £300 (£600 – (2 x £150)).

Payment of a Budgeting Loan

Budgeting Loans can be paid by cheque, which can be cashed at a Post Office or paid into a bank or building society account. Payment may also be made to a third party who is selling an item or providing a service to you.

Repayment of a Budgeting Loan

If you or your partner are in receipt of any social security benefit (but not Child Benefit, Guardian's Allowance or certain disability benefits), the loan will repaid by making deductions from your benefit at £12.50 per week starting from the week after the loan is paid. Lower levels of repayment are allowed for loans given for Motability lease payments.

If you leave benefit then you must arrange with us to repay the remainder of the loan at the rate of at least £12.50 per week, either by making payments by standing order or by cash or cheque at the Post Office.

Exceptional Needs Grants

What are Exceptional Needs Grants?

Exceptional Needs Grants are lump sum payments that are, in certain circumstances, paid to help meet expenses that are not covered by your income support or income-based jobseeker's allowance.

You do not have to repay an Exceptional Needs Grant.

How do I qualify for an Exceptional Needs Grant?

To qualify for an Exceptional Needs Grant for an item there must be a reasonable need for the item and neither you nor any other member of your family must have the same item or a suitable alternative or have unreasonably got rid of or failed to take proper care of the item.

What can I get an Exceptional Needs Grant for?

Furniture and household equipment, deposits for rent and gas and electricity supply and initial supply of heating oil at a new home

For some items, only certain categories of people can qualify for a grant as follows:

You can get a grant -

- to buy certain items of furniture or household equipment specified in the Regulations;
- to pay for a deposit for rent or an advance payment towards board and lodging charges,
- for connection to the electricity or gas supply,
- for the initial supply of heating oil on taking up the tenancy of a home.

But you must have moved into your new accommodation within the previous 4 weeks, or you intend to do so in the next 4 weeks, after recently:

- leaving prison (having served a term of at least 3 months);
- leaving hospital (having been a patient for at least 3 months);
- leaving certain accommodation provided by the Department of Health and Social Care or by a voluntary organisation where you were receiving special care or attention because of a disability, addiction or because you have left prison as part of planned programme of resettlement or rehabilitation;
- leaving your former home because of a fear of domestic violence or because one of your children was in physical or moral danger or there was a serious risk to that child's physical or mental health;
- leaving your former home because you are estranged from your parents, you are in physical or moral danger or there is a serious risk to your physical or mental health and you are aged between 16 and 20.

You may also be able to get an Exceptional Needs Grant if -

- you need to buy certain items in order to leave benefit and take up, or continue in, work; or
- to meet your living expenses whilst you are awaiting -
 - your first payment of salary or wages, or where your employer has changed their pay period to a longer one, or
 - your first payment of Income Support or income-based Jobseeker's Allowance after claiming benefit.

You have to satisfy different benefit conditions for a grant for each of these items.

Amount of Exceptional Needs Grant

The amount of a grant payable for a particular item is generally the reasonable cost of the item, subject to a maximum. Grants for items of furniture and household equipment take into account any grant paid for the same type of item in the previous 12 months.

Effect of savings on an Exceptional Needs Grant

If you or your partner have savings of up to £1,000, these are ignored when we decide whether you qualify for a grant. If your savings are more than £1,000 then the maximum loan we can pay you is reduced by the amount of your savings over £1,000.

For example, if you are entitled to a grant of £600 and you and your partner have savings of £1,300 we can only pay you a grant of up to £300 (£600 – (£1,300-£1,000)).

Payment of an Exceptional Needs Grant

Exceptional Needs Grants can be paid by cheque, cashable at a Post Office or paid into a bank or building society account. Payment may also be made to a third party who is selling an item or providing a service to you.

People who cannot qualify for an Exceptional Needs Grant or a Budgeting Loan

You cannot qualify for a grant or loan for certain items if you or your partner are expected to take up work in the next 28 days.

You cannot qualify for a grant or loan for any item if you are -

- a person affected by a trade dispute;
- a hospital in-patient;
- a member of a religious order; or
- a prisoner.

You cannot qualify for a grant or loan for an item if –

- a grant or loan has already been paid for the same item (unless your circumstances have changed); or
- the need for the item arises outside of the Isle of Man.

How to claim an Exceptional Needs Grant or a Budgeting Loan

To claim an Exceptional Needs Grant or a Budgeting Loan please complete claim form **BLG1 – Budgeting Loans and Exceptional Needs Grants** and return it to the Income Support Group or Jobseeker's Allowance Group (depending on which benefit you get) at Markwell House or to either of our district offices in Ramsey or Port Erin.

Please make your claim as soon as possible. If you delay making your claim you may lose out.

Contact details -

Telephone -	Income Support (under pension age)	- 685094
	Income Support (over pension age)	- 687020
	Jobseeker's Allowance	- 685126
	Employed Person's Allowance	- 685092
Email -	Income Support (under pension age)	- IncomeSupport@gov.im
	Income Support (over pension age)	- ISP@gov.im
	Jobseeker's Allowance	- JSA@gov.im
	Employed Person's Allowance	- EPA@gov.im
Address -	Social Security Division Markwell House Market Street Douglas Isle of Man IM1 2RZ	
Website -	www.gov.im	

This leaflet gives general advice on Budgeting Loans and Exceptional Needs Grants and should not be treated as a complete and authoritative statement of the law.