

Isle of Man

Exchange rate: US\$1.00 equals 0.56 pounds (£).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1948.

Current laws: 1992 (consolidated legislation) and 1995 (pensions).

Type of program: Social insurance and social assistance system.

Coverage

Basic state retirement pension and State Second Pension (S2P): Mandatory for employed persons at or above the lower earnings limit for national insurance contributions (£77 per week) and for self-employed persons with net annual income of £4,095 or more. Also available to nonemployed persons who choose to pay voluntary contributions.

Additional pension (earnings-related): For employed earners who have earnings at or above the lower earnings limit and who are contracted into the State Earnings-Related Pension Scheme (SERPS) between 1978 and April 2002 and/or the Scheme's successor, the State Second Pension Scheme (S2P), from April 6, 2002. Employed earners can be contracted out of SERPS/S2P if their employer is contributing to an approved pension scheme or if the contributor is a member of an appropriate personal pension scheme, in which case their contributions count only toward the basic state retirement pension.

Source of Funds

Insured person: 10% of weekly earnings between £89 and £595 (certain married women and widows pay only 3.85%); if contracted out of S2P, 8.4%. The insured's contributions also finance benefits for sickness and maternity, work injury, and unemployment.

Self-employed person: Flat rate of £2 a week, plus 8% of net income between £4,615 and £30,940 a year. Self-employed contributions cover all benefits except the jobseeker's allowance (social insurance) and the additional pension under S2P.

Voluntary contributor: Flat rate of £6.95 a week. Contributions cover only the flat-rate basic state retirement pension and bereavement benefits.

A percentage of all of the above contributions is allocated to the Health Services Division of the Department of Health and Social Security to assist with the costs of health care provision, the rest of which are met by the government.

Employer: 12.8% of the employee's weekly earnings over £89. If contracted out of S2P, between 9.3% and 11.8% of weekly earnings over £89, depending on the type of contracted-out scheme. The employer's contributions also finance benefits for sickness and maternity, work injury, and unemployment.

Government: Total cost of means-tested allowances and other noncontributory benefits, and most of the expense of health care, through the Health Services Division.

Qualifying Conditions

Old-age pension: Age 65 (men) or age 60 (women); the state retirement age for women will rise gradually to age 65 between 2010 and 2020.

Basic state retirement pension (flat-rate): To qualify for a full pension, contributions must have been paid or credited for approximately 90% of years in the working life. Reduced coverage results in a proportionately reduced pension. For years before April 1975, 50 weeks of contributions. For tax years April 1975 to April 1978, contributions are based on earnings of at least 50 times the lower earnings level. Since April 1978, contributions are based on 52 times the lower earnings level. If contributions (paid or credited) cover less than 25% of years in the working life, the basic state retirement pension is not payable.

Deferred pension: The pension can be deferred until age 70 (men) or age 65 (women), subject to a minimum deferral period of 7 weeks.

SERPS/S2P: Employee's contributions paid on earnings between the lower and upper earnings limit in any tax year from 1978.

Old person's pension (noncontributory retirement pension): Aged 80 and ineligible for the contributory pension of £46.35 a week. Ordinarily resident in Isle of Man, and resident in Isle of Man or the UK for 10 years in any consecutive 20-year period after age 60.

Retirement pension premium: Over age 75, ordinarily resident in Isle of Man and qualifies for or receives a retirement pension. At least 10 years of contributions paid on Isle of Man.

Pension supplement: Over age 45, ordinarily resident in Isle of Man, at least 10 years of contributions paid in Isle of Man, and entitled to one of the following: retirement pension; the basic pension in a widowed mother's allowance, widowed parent's allowance, widow's pension, or long-term incapacity benefit.

Long-term incapacity benefit: Men (under age 65) and women (under age 60) who are unable to work because of illness or disability. Contributions paid on earnings of at least 25 times the lower earnings level in any one of 3 complete tax years (April to March) before the start of the benefit year (January to December), plus contributions paid or credited on earnings of at least 50 times the weekly lower earnings level in each of the 2 complete tax years before the start of the benefit year in which the claim is made. The benefit is payable after

52 weeks of incapacity for work (as determined by a medical test), or after 28 weeks if terminally ill or receiving the highest-rate care component of disability living allowance.

An age-related supplement is provided if disability begins before age 45 and the insured is ordinarily resident in the Isle of Man.

Disability living allowance (noncontributory, no means test): Disability begins before age 65, payable after 3 months of disability. Present in Isle of Man at time of claim and ordinarily resident. Present in Isle of Man or the UK for 6 of the 12 preceding months. The allowance comprises two components: the care component for people who need help with personal care, and the mobility component for people who are unable to walk, are virtually unable to walk, or require supervision to get around. The care component is payable at three different rates (depending on the level of care required); the mobility component is payable at the higher rate for those who are unable or virtually unable to walk and at the lower rate for those who require guidance or supervision to get around. Special rules apply to the terminally ill with a life expectancy of 6 months or less.

Attendance allowance (noncontributory, no means test): Disability begins after age 65 and the person needs a high level of care; usually payable after 6 months of disability. The person must be present in Isle of Man at time of claim and be ordinarily resident and present in Isle of Man or the UK for 6 of the 12 preceding months. Special rules for terminally ill with a life expectancy of 6 months or less.

Disability working allowance (noncontributory, means-tested): Employment for at least 16 hours a week, with an illness or disability that puts the person at a disadvantage in securing employment. Personal savings over £11,000 may reduce the benefit payable. The person is receiving a qualifying benefit (such as disability living allowance or attendance allowance) or had been receiving one of the following benefits in the 8 weeks before making the claim: incapacity benefit (short-term high rate or long-term rate), severe disablement allowance, or income support (in certain circumstances). The insured or his or her partner must have been born in Isle of Man, qualify as an Isle of Man worker, or be resident in Isle of Man for at least 6 months.

Carer's allowance (noncontributory, earnings-tested): Payable to an insured person who earns less than £77 per week, after allowable expenses, and who cares for a severely disabled person (who receives certain qualifying benefits) for 35 hours or more each week.

Widow's pension: The deceased was a pensioner or met requirements for a basic state pension at the time of death. The pension is payable to widows and for transitionally protected cases only.

Widowed parent's allowance: For widow(er)s with at least one dependent child under age 19 for whom they receive child benefit. The surviving spouse is dependent on the deceased's national insurance contributions. The allowance is the same as

the basic state pension, with a reduced coverage period resulting in a proportionately reduced allowance.

Bereavement allowance: Over age 45 when the spouse died or when the widowed parent's allowance ceased. The surviving spouse is dependent on the deceased's national insurance contributions. The allowance is the same as the basic state pension, with a reduced coverage period resulting in a proportionately reduced pension.

Bereavement payment: A lump sum for widow(er)s under age 60 or for a survivor whose spouse was not entitled to the basic state pension at the time of death. The surviving spouse is dependent on the deceased spouse's having paid sufficient national insurance contributions in any tax year.

Guardian's allowance: Raising an orphan or, in very limited circumstances, a child with one surviving parent. At least one of the child's deceased parents was born in Isle of Man or spent 52 weeks of any 2-year period after age 16 in Isle of Man.

Payment for funeral expenses (tax-free, noncontributory): To assist with funeral expenses and payable if the deceased was ordinarily resident in Isle of Man. An additional payment is available if receiving income support, family income supplement, disability working allowance, or income-based jobseeker's allowance and if personal savings are less than £11,000.

Income support (noncontributory, means-tested social assistance benefit): Available to those with income below certain levels. Certain income may be disregarded when calculating entitlement, for example, child benefit. The benefit is payable to unemployed persons not required to seek employment, such as the elderly, sick, disabled, single parents, and carers. Assistance can be given with housing costs, and single payments can be made to cover urgent and exceptional needs. Personal savings over £11,000 may reduce the benefit payable. The benefit is not payable to persons who are working more than 16 hours a week. The benefit is subject to a residential qualification.

Old-Age Benefits

Basic state retirement pension (flat-rate): £77.45 a week, plus £46.35 a week for each dependent adult and £11.35 a week for each dependent child. An additional £2 a week is payable to those over age 80.

Note: Supplements for child dependents ceased for new claims as of April 2003.

Deferred pension: An increment of 0.1428% of the pension for each week of deferred retirement between ages 65 and 70 (men) or ages 60 and 65 (women), subject to a minimum deferral period of 7 weeks.

SERPS/S2P: The pension is based on average indexed surplus earnings, up to a maximum of £131.35 a week.

Old person's pension: £46.35 a week less any basic state pension entitlement.

Retirement pension premium: £11.40 a week less any increase paid if over age 80 or for an additional pension entitlement.

Pension supplement: The weekly rate is equal to 50% of the qualifying benefit. A reduced pension entitlement results in a proportionately reduced supplement.

Income support (noncontributory, means-tested social assistance benefit): Cash benefits are payable to those with income below certain levels.

Permanent Disability Benefits

Long-term incapacity benefit: The benefit is payable from the 53rd week of incapacity (unless terminally ill, in which case it is payable from the 29th week) following the payment of short-term incapacity benefit. The benefit is £72.15 a week, plus £43.15 a week for each dependent adult and £11.35 a week for each dependent child. If the disability began before age 45, an additional benefit of £7.60 or £15.15 a week is paid.

Note: Supplements for child dependents ceased for new claims as of April 2003.

Severe disablement allowance: £43.60 a week plus between £4.85 and £15.15, depending on age at the onset of disability; £25.90 a week for each dependent adult and £11.35 a week for each dependent child.

Note: Severe disablement allowance was discontinued for new claims as of April 9, 2001. All persons incapacitated from that date are required to claim incapacity benefit.

Disability living allowance (noncontributory, no means test): For those who need help with personal care, the care component is payable at three different rates depending on the level of care required. For those who are unable or virtually unable to walk or require supervision to get around, the mobility component is payable at the higher rate for those who are unable or virtually unable to walk and at the lower rate for those who require guidance or supervision to get around. Special rules apply to the terminally ill with a life expectancy of 6 months or less.

Attendance allowance (noncontributory, no means test): The allowance is paid at two rates depending on care needs.

Disability working allowance (noncontributory, means-tested): Employment for at least 16 hours a week, with an illness or disability that puts the person at a disadvantage in securing employment. Personal savings over £11,000 may reduce the benefit payable.

Carer's allowance (noncontributory, earnings-tested): The allowance is payable to an insured person who earns less than £77 a week, after allowable expenses, and who cares for a severely disabled person (who receives certain qualifying benefits) for 35 hours or more each week.

Income support (noncontributory, means-tested social assistance benefit): Cash benefits are payable to those with income below certain levels.

Survivor Benefits

Widowed parent's allowance: £77.45 a week plus £11.35 for each dependent child.

Note: Supplements for child dependents ceased for new claims as of April 2003.

Bereavement allowance: The allowance varies according to the age when widowed, up to a maximum rate of £77.45 a week.

Bereavement payment: A lump sum of £2,000.

Guardian's allowance: £11.55 a week for each child.

Universal funeral payment: If death occurs in Isle of Man, £190; if death occurs outside Isle of Man and burial or cremation is to take place within Isle of Man, £310. Further help is available to those who receive income-related benefits and whose personal savings are less than £11,000.

Administrative Organization

Isle of Man Department of Health and Social Security, Social Security Division, collects national insurance payments and administers and distributes pensions and benefits.

Sickness and Maternity

Regulatory Framework

First law: 1951.

Current laws: 1951 (national health service), 1992 (consolidated legislation), 1994 (incapacity benefit), and 1999 (welfare reform and pensions).

Type of program: Social insurance and social assistance (cash benefits) system and universal (medical care) system.

Coverage

Short-term incapacity benefit: All those who satisfy certain contribution conditions, whether or not employed when they become sick.

Maternity allowance: All women who satisfy certain employment and earnings rules.

Payment for maternity expenses: Expectant mothers who receive, or whose partner receives, income-related benefits.

Medical care: All residents.

Source of Funds

Insured person: For incapacity benefit and maternity allowance, see source of funds under Old Age, Disability, and Survivors, above.

Employer: For incapacity benefit and maternity allowance, see source of funds under Old Age, Disability, and Survivors, above.

Government: Most of the cost of medical care and the total cost of means-tested allowances.

Qualifying Conditions

Short-term incapacity benefit: At least 4 consecutive days of sickness within a period of incapacity for work. Contributions must be paid on earnings of at least 25 times the weekly lower earnings level in any one of the 3 complete tax years (April to March) before the start of the benefit year (January to December), plus contributions must be paid or credited on earnings of at least 50 times the weekly lower earnings level in each of the 2 complete tax years before the start of the benefit year in which the claim is made.

The benefit is payable only to people who are below the current state pension age of 65 (men) or 60 (women).

Maternity allowance (contributory, not income-related): Expectant mothers who have worked as an employee or a self-employed earner for at least 26 of the 66 weeks before the expected week of childbirth and have earned at least £30 a week or paid self-employed contributions for at least 13 of those weeks. Mothers who do not meet the qualifying conditions for a maternity allowance may qualify for a short-term incapacity benefit for a limited period.

Payment for maternity expenses: Expectant mothers aged 16 or older whose pregnancy lasts to the 25th week and who are receiving, or whose partner is receiving, an income-related benefit. Personal savings over £11,000 will be offset against payment.

Medical benefits: All residents.

Income support (noncontributory, means-tested social assistance): The benefit is payable depending on circumstances and to those with income below prescribed levels. Certain income may be disregarded when calculating entitlement, for example, child benefit. The benefit is also payable to unemployed persons who are not required to seek employment, such as the elderly, sick, disabled, single parents, and carers. Assistance can be given with housing costs, and single payments can be made to cover urgent and exceptional needs. Personal savings over £11,000 may reduce the benefit payable. The benefit is not payable to persons who are working 16 hours or more a week. The benefit is subject to residential qualification.

Sickness and Maternity Benefits

Short-term incapacity benefit: The benefit is payable for the first 28 weeks at £54.40 a week and from the 29th to the 52nd week at £64.35 a week. The benefit is payable after a 3-day waiting period.

Dependent supplement: £33.65 a week for a dependent adult; £11.35 a week for each dependent child from the 29th week.

Maternity allowance: The benefit is payable at a standard rate of £100 a week or 90% of average earnings, whichever is lower.

Dependent supplement: £33.65 a week for a dependent adult.

Payment for maternity expenses: £215 less any personal savings over £11,000.

Income support (noncontributory, means-tested social assistance benefit): Cash benefits are payable to those with income below certain levels.

Workers' Medical Benefits

Medical services are provided by doctors and dentists under contract with and paid directly by the Health Services Division of the Department of Health and Social Security. Benefits include general practitioner care, specialist services, hospitalization, maternity care, dental care, medicines, appliances, home nursing, and family planning.

Cost sharing: Patients pay £2.60 for each prescription and a percentage of dental work subject to a £150 maximum. Patients pay 55% for routine dental treatment and 70% for specialist dental treatment. Exemptions from prescription and dental charges are available to those receiving income-related benefits and their dependents, all children under age 16, students under age 19, nursing mothers, all people aged 60 or older, and war pensioners.

Dependents' Medical Benefits

Same as for the insured.

Administrative Organization

Isle of Man Department of Health and Social Security, Social Security Division, administers and distributes benefits.

Health Services Division administers and provides medical services.

Work Injury

Regulatory Framework

First law: 1948.

Current law: 1992 (consolidated legislation).

Type of program: Social insurance system.

Coverage

Employed earners only.

Exclusions: The self-employed.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors, above.

Employer: See source of funds under Old Age, Disability, and Survivors, above.

Government: See source of funds under Old Age, Disability, and Survivors, above.

Qualifying Conditions

Work injury (industrial injuries disablement benefit): There is no minimum qualifying period. The benefit is not payable to those whose accident was suffered or whose disease was contracted while self-employed or engaged as a member of the armed forces of the Crown. The insured must be at least 14% disabled. The assessed degree of disability is determined by medical examination.

Temporary Disability Benefits

Short-term incapacity benefit: Available for the first 52 weeks to those who meet certain contribution conditions. If incapacity continues beyond 52 weeks, long-term incapacity benefit is paid.

Income support (noncontributory, means-tested social assistance): Available to those with income below prescribed levels. Certain income may be disregarded when calculating entitlement, for example, child benefit. The benefit is payable to unemployed persons not required to seek employment, such as the elderly, sick, disabled, single parents and carers, or those caring for children. Assistance can be given with housing costs, and single payments can be made to cover urgent and exceptional needs. Personal savings over £11,000 may reduce benefit payable. Benefit is not payable to persons who are working 16 hours or more a week. The benefit is subject to a residential qualification.

Permanent Disability Benefits

Industrial injuries disablement benefit: If 100% disabled, up to £116.80 a week. The benefit is payable from the 15th week after the accident or the onset of the disease.

Partial disability: The benefit varies from £23.36 a week for an assessed degree of disability of 15% up to a maximum of £105.12 a week for an assessed degree of disability of 90%.

Workers' Medical Benefits

Provided by the Health Services Division of the Department of Health and Social Security.

Survivor Benefits

Widowed parent's allowance: £77.45 a week plus £11.35 for each dependent child.

Note: Supplements for child dependents ceased for new claims as of April 2003.

Bereavement allowance: The allowance varies according to the age when widowed, up to a maximum rate of £77.45 a week.

Bereavement payment: A lump sum of £2,000.

Guardian's allowance: £11.55 a week for each child.

Universal funeral payment: If death occurs in Isle of Man, £190; if death occurs outside Isle of Man and burial or cremation is to take place within Isle of Man, £310. Further

help is available to those receiving income-related benefits and whose personal savings are less than £11,000.

Administrative Organization

Isle of Man Department of Health and Social Security, Social Security Division, collects National Insurance payments and distributes benefits.

Health Services Division administers and provides health care.

Unemployment

Regulatory Framework

First law: 1948.

Current laws: 1995 (jobseekers).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Registered unemployed persons who have paid contributions as an employed earner in each of the 2 tax years (April to March) before the benefit year (January to December) in which the claim is made.

Exclusions: Self-employed persons and certain married women and widows who pay reduced-rate contributions. Excluded persons may qualify for assistance under the social assistance program.

Social assistance: Registered unemployed persons with income below prescribed levels. Assistance can be given with housing costs, and single payments can be made to cover urgent and exceptional needs. Personal savings over £11,000 may reduce the benefit payable. Coverage is subject to a residential qualification.

Exclusions: Persons who are working 16 or more hours a week or those whose partner works 24 or more hours a week.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors, above. (Self-employed contributions do not count for the contribution-based jobseeker's allowance.)

Employer: See source of funds under Old Age, Disability, and Survivors, above.

Government: Total cost of income-tested allowances.

Qualifying Conditions

Jobseeker's allowance (social insurance): Aged 16 or older (but younger than the state pension age), involuntarily unemployed, or working fewer than 16 hours a week. Contributions have been paid on earnings of at least 25 times the lower earnings level in one of the last 2 complete tax years

(April to March) before the start of the benefit year (January to December) in which the claim is made. The insured must have paid or credited contributions on earnings of at least 50 times the lower earnings level in both of the 2 tax years immediately before the start of the benefit year in which the claim is made. The insured must be registered as unemployed, be capable of and actively seeking employment, have a current Jobseeker's Agreement, be earning less than a prescribed amount, and be physically present in Isle of Man. The allowance is payable for up to 26 weeks in conjunction with jobseeker's enhanced allowance.

Jobseeker's enhanced allowance: Additional weekly payment for those entitled to jobseeker's allowance (social insurance) provided that the period of unemployment is preceded by 2 years' continuous employment in Isle of Man. The allowance is payable for up to 26 weeks in conjunction with jobseeker's allowance (social insurance).

Jobseeker's allowance (social assistance): The allowance is payable to those not entitled to jobseeker's allowance (social insurance) or if that allowance is less than a prescribed amount. Income must not exceed a prescribed amount, and personal savings over £11,000 may reduce the benefit payable. Certain income may be disregarded when calculating entitlement, for example, child benefit. The person must be registered as unemployed, be capable of and actively seeking employment, have a current Jobseeker's Agreement, be earning less than a prescribed amount, and be physically present in Isle of Man. There is no entitlement if a partner works 24 or more hours a week. The benefit is subject to a residential qualification.

Unemployment Benefits

Jobseeker's allowance (social insurance): The allowance is payable for up to 6 months after a 3-day waiting period. The allowance is £32.90 a week if aged 16 or 17; £43.25 a week if between ages 18 and 24; and £54.65 a week if aged 25 or older.

Jobseeker's enhanced allowance: The allowance is payable for up to 6 months in conjunction with jobseeker's allowance (social insurance). The allowance is £43.25 a week for those between ages 18 and 24 and £54.65 a week for those aged 25 or older.

Jobseeker's allowance (social assistance): The allowance varies depending on age, family income, and household composition. For example, a person aged 18 or older who lives with parents may receive £68.90 a week; a married man with two teenage children may receive £145.75 a week plus an allowance towards housing costs.

Administrative Organization

Isle of Man Department of Health and Social Security, Social Security Division, collects National Insurance payments and distributes cash benefits.

Family Allowances

Regulatory Framework

First law: 1951.

Current law: 1992 (consolidated legislation).

Type of program: Universal (child benefit) and social assistance (family income supplement) system.

Coverage

Residents with one or more dependent children.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Child benefit (noncontributory, universal benefit): The benefit is payable to parents of children under age 16 (or students under age 19) who have been in Isle of Man for at least 182 days in the preceding 52 weeks.

Family income supplement (income-tested): The supplement is payable to parents, or childless married couples, working at least 16 hours a week whose income is below a prescribed level. The supplement is subject to a residential qualification.

Family Allowance Benefits

Child benefit: £18.20 a week for children under age 16 and £26.80 a week for young persons between ages 16 and 18 who are receiving relevant education.

Family income supplement: The amount depends on family income, number of children, housing costs, number of hours worked, and child care charges. There is an award of £0.70 for every £1.00 that income falls short of a prescribed amount. Certain income may be disregarded when calculating actual family income, for example, child benefit.

Administrative Organization

Isle of Man Department of Health and Social Security, Social Security Division, administers and distributes benefits.