

## Isle of Man

Exchange rate: U.S.\$1.00 equals 0.69 pounds (£).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1948.

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

**Type of program:** Dual social insurance and social assistance system.

#### Coverage

**Basic state retirement pension and State Earnings-Related Pension Scheme (SERPS):** Mandatory for employed persons above employees' earnings threshold (£87 per week). Employer or employee may contract out of SERPS according to specified conditions.

**Basic state retirement pension (flat-rate) only:** Mandatory for self-employed persons with net annual income of £3,995 or more; or voluntary contributions paid by nonemployed persons, employed persons earning below £72 per week, and self-employed persons with net annual income below £3,995.

#### Source of Funds

**Insured person:** Employees pay 10% of weekly earnings between £87 and £575 (certain married women and widows pay only 3.85%); if contracted out of SERPS, 8.4%.

**Self-employed person:** Flat rate of £2 per week, plus 7% of net income between £4,535 and £29,900 per year. Self-employed contributions cover all but unemployment benefits and SERPS.

**Voluntary contributor:** Flat rate of £6.75 per week. Contributions cover only flat-rate basic state retirement pension and widows' benefits.

A percentage of contributions are allocated to Health Services Division of Department of Health and Social Security to assist with medical costs, the rest of which are met by the government.

**Employer:** 11.9% of employee's weekly earnings over £87. If contracted out of SERPS, between 8.9% and 11.3% of weekly earnings over £87, depending on type of contracted-out scheme.

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

#### Qualifying Conditions

**Old-age pensions:** Men age 65 and women age 60 (will rise gradually to age 65 between 2010 and 2020).

**Basic state retirement pension (flat rate):** Full pension allowance, contributions for approximately 90% of years in 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 based on earnings of at least 50 times the lower earnings level. Since April 1978, contributions based on 52 times the lower earnings level. If contributions cover less than 25% of years in working life, basic state retirement pension is not payable.

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

**Old person's pension (noncontributory retirement pension):** Aged 80 and ineligible for contributory pension of £43.40 a week. Ordinarily resident in Isle of Man, and resident in Isle of Man or 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 retirement pension. At least 10 years of contributions.

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

**Long-term incapacity benefit:** Men (under age 65) and women (under age 60) unable to work due to illness or disability. Contributions paid on earnings of at least 25 times the lower earnings level in any 1 tax year (April to March), plus contributions paid or credited on earnings of at least 50 times the weekly lower earnings level in each of 2 complete tax years before the start of benefit year (January to December) in which claim is made. Payable after 52 weeks of disability (as determined by a medical test), or after 28 weeks if terminally ill or receiving disability living allowance.

An age-related supplement is provided if disability begins before age 45 and 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 out of 12 preceding months. Special rules for terminally ill with a life expectancy of 6 months or less.

**Attendance allowance (noncontributory, no means test):** Disability begins after age 65 and person needs a high level of care; usually payable after 6 months of disability. Two rates depending on care needs. 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 out of 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 per week, with an illness or disability that creates a disadvantage in securing employment. Savings in excess of £10,000 may reduce benefit

payable. Receiving a qualifying benefit (such as disability living allowance or attendance allowance). Insured or partner must have been born in Isle of Man, qualify as an Isle of Man worker, or resident in Isle of Man for at least 6 months.

**Invalid care allowance (noncontributory, earnings-tested):**

Payable to insured who earns less than £72 per week, after allowable expenses, and who forgoes full-time employment to care for a severely disabled person (who receives certain qualifying benefits) for 35 hours or more each week.

**Survivor pension:** Deceased was a pensioner or met requirements for old-age pension at death; payable to widow.

**Widowed parent's allowance:** For widows or widowers with at least one dependent child under age 19 for whom they receive child benefit. Dependent on deceased's National Insurance contributions. Same as basic state pension. Reduced coverage results in a proportionately reduced allowance.

**Bereavement allowance:** Over age 45 at spouse's death or at cessation of widowed parent's allowance. Dependent on deceased's National Insurance contributions. Same as basic state pension. Reduced coverage results in proportionately reduced pension.

**Bereavement payment:** Lump sum for widows and widowers under age 60 or whose spouses were not receiving retirement pension at death. Dependent on deceased's National Insurance contributions.

**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. Payable if deceased was ordinarily resident in Isle of Man. Additional low-income support if receiving income support, family income supplement, disability working allowance, or income-based jobseeker's allowance and has less than £1,000 savings.

**Income support (noncontributory, means-tested social assistance benefit):** Available to those with income below certain levels. Payable to unemployed persons not required to seek employment, such as elderly, disabled, or those caring for children. Assistance can be given with housing costs, and single payments can be made to cover urgent needs. Savings over £10,000 may reduce benefit payable. Not payable to persons whose savings exceed £15,000 or who are working more than 16 hours per week.

### Old-Age Benefits

**Basic state retirement pension (flat-rate):** £72.50 a week, plus £43.40 a week for each dependent adult, and £11.35 a week for each dependent child. An additional £2 a week payable to those over age 80.

**SERPS:** For those reaching pensionable age before April 6, 2000, SERPS benefit is based on average indexed surplus earnings. Lower accrual rate for those reaching pensionable age in April 2000 or thereafter. Maximum is £131.35 a week.

Deferred retirement, 1/7% of pension for each week of delayed retirement between ages 65 and 70 (men) and ages 60 and 65 (women). Minimum deferment is 7 weeks.

**Old person's pension:** £43.40 a week minus any retirement pension.

**Retirement pension premium:** £11.00 a week minus amount of any age benefit and SERPS received.

**Pension supplement:** Weekly rate equal to 50% of basic retirement pension. Reduced coverage results in proportionately reduced supplement.

### Permanent Disability Benefits

**Long-term incapacity benefit:** Payable from 53rd week of incapacity (unless terminally ill) following payment of short-term incapacity benefit; £69.75 a week plus £43.40 a week for each dependent adult and £11.35 a week for each dependent child. If disability began before age 45, additional benefit of £7.35 or £14.65 a week.

**Severe disablement allowance:** £42.15 a week plus between £4.65 and £14.65, depending on age at disability onset; £25.00 a week for each dependent adult and £11.35 a week for each dependent child.

Note: Severe disablement allowance was discontinued for new cases as of April 1, 2001. All persons incapacitated from that date were required to claim incapacity benefit.

**Disability living allowance:** Care component is between £14.65 and £55.30 a week; mobility component is £14.65 or £38.65 a week. Both components vary with degree and nature of disability.

**Attendance allowance:** £37.00 or £55.30 a week, according to needs.

**Disability working allowance:** Prescribed level of income appropriate to size and circumstances of family, including amount for housing costs. Award of £0.70 for every £1.00 by which actual income falls short of prescribed amount.

**Invalid care allowance:** £41.75 a week plus dependency supplements if appropriate.

### Survivor Benefits

**Widowed parent's allowance:** £72.50 a week plus £11.35 for each dependent child.

**Bereavement allowance:** Standard rate £72.50 a week. Varies according to age when became widowed.

**Bereavement payment:** Lump sum of £2,000.

**Guardian's allowance:** £11.35 a week for each child.

**Universal funeral payment:** If death occurs in Isle of Man, £185; if death occurs outside island and funeral is to take place within island, £300. Further help for those with low income varies with need; payable directly to funeral director.

## 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:** Dual social insurance and social assistance system for cash benefits and universal system for medical care.

### Coverage

**Short-term incapacity benefit:** Available to all those who satisfy certain contribution conditions, whether or not employed.

**Maternity allowance:** All employed women and self-employed women who satisfy certain contribution conditions or who earn more than £30 a week.

**Payment for maternity expenses:** Expectant mothers receiving certain income-related benefits.

**Medical care:** All residents.

### Source of Funds

**Insured person:** Incapacity benefit and maternity allowance, see Old Age, Disability, and Survivors, above.

**Employer:** Incapacity benefit and maternity allowance, see Old Age, Disability, and Survivors, above.

**Government:** Most of the medical care and 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 paid on earnings of at least 25 times weekly lower earnings level in any 1 tax year (April to March), plus contributions paid or credited on earnings of at least 50 times weekly lower earnings level in each of 2 complete tax years before start of benefit year (January to December) in which claim is made.

Payable to employees, self-employed persons, and unemployed under age 65 (men) or 60 (women).

**Maternity allowance (contributory, not income-related):** Expectant mothers who have worked and paid National Insurance contributions as employee or self-employed earner for 13 out of 66 weeks before expected week of birth. Mothers who do not fulfill contribution conditions for maternity allowance may qualify for short-term incapacity benefit for part

of duration of confinement. As of April 2000, coverage was extended to all women earning at least £30 a week.

**Payment for maternity expenses:** Expectant mothers over age 16 whose pregnancy lasts to 25th week and who is receiving income support, income-based jobseeker's allowance, family income supplement, or disability working allowance. Savings over £1,000 will be offset against payment.

**Medical benefits:** All residents.

**Income support (noncontributory, means-tested social assistance):** Payable depending on income and circumstances. Available to those with income below certain levels. Payable to unemployed persons not required to seek employment, such as elderly, disabled, or those caring for children. Assistance can be given with housing costs, and single payments can be made to cover urgent needs. Savings over £10,000 may reduce benefit payable. Not payable to persons whose savings exceed £15,000 or who are working more than 16 hours per week.

### Sickness and Maternity Benefits

**Short-term incapacity benefit:** Payable for first 28 weeks at £52.60 a week plus £32.55 a week for dependent adult; from 29th to 52nd week, £62.20 a week plus £32.55 a week for dependent adult. Benefit is £11.35 a week for each dependent child for entire 52 weeks. Payable after 3-day waiting period.

**Maternity allowance:** Payable at two rates: standard rate (£62.20 a week) or a variable rate of 90% of average earnings or of the standard rate, whichever is lower, plus £32.55 a week for dependent adult.

**Payment for maternity expenses:** £200 minus the amount of any savings over £1,000.

### Workers' Medical Benefits

Medical services provided by doctors and dentists under contract with and paid directly by Health Services Division of Department of Health and Social Security. Includes general practitioner care, specialist services, hospitalization, maternity care, dental care, medicines, appliances, home nursing, and family planning. Patients pay £2.40 for each prescription and a percentage of dental work subject to a £150 maximum. Patients pay 55% for routine work and 70% for specialist dental treatment. Exemption from prescription and dental charges available to those receiving income support or family income supplement and their adult dependents, children under age 6, students under age 19, nursing mothers, and people over age 60.

### Dependents' Medical Benefits

Same as Workers' Medical Benefits, above.

### Administrative Organization

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

Health Services Division administers and provides medical services.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1948.

**Current law:** 1992 (consolidated legislation).

**Type of program:** Social insurance system.

#### **Coverage**

Employed persons, excluding the self-employed.

#### **Source of Funds**

**Insured person:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** See Old Age, Disability, and Survivors, above.

#### **Qualifying Conditions**

**Work injury (industrial injuries disablement benefit):** No minimum qualifying period. Not payable to those whose accident was suffered or whose disease was contracted while self-employed or a member of armed forces of the Crown. Must be at least 14% disabled (determined by medical exam).

#### **Temporary Disability Benefits**

**Short-term incapacity benefit:** Available for first 52 weeks. If disability continues, long-term incapacity benefit is paid.

**Income support (noncontributory, means-tested social assistance):** Available to those with income below certain levels. Payable to unemployed persons not required to seek employment, such as elderly, disabled, or those caring for children. Assistance can be given with housing costs, and single payments can be made to cover urgent needs. Savings over £10,000 may reduce benefit payable. Not payable to persons whose savings exceed £15,000 or who are working more than 16 hours per week.

#### **Permanent Disability Benefits**

**Industrial injuries disablement benefit:** 100% disabled, up to £112.90 a week. Payable from 15th week after accident or onset of disease.

Partial disability: According to degree of disability, from £22.58 a week for 14% disablement to £101.61 a week for 90%.

#### **Workers' Medical Benefits**

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

### **Survivor Benefits**

See survivor benefits under Old Age, Disability, and Survivors, above.

### **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**

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#### **Regulatory Framework**

**First law:** 1948.

**Current laws:** 1995 (jobseekers).

**Type of program:** Dual social insurance and social assistance system.

#### **Coverage**

Employed persons whose earnings are £72 a week or more. Excludes self-employed persons and certain married women and widows who pay reduced contributions. However, self-employed persons may qualify for assistance under the social assistance part of program.

#### **Source of Funds**

**Insured person:** Contributions for jobseeker's allowance are included in the contributions noted under Old Age, Disability, and Survivors. Self-employed contributions do not qualify for unemployment benefits.

**Employer:** Contributions for jobseeker's allowance are included in the contributions noted under Old Age, Disability, and Survivors.

**Government:** Total cost of income-tested allowances.

#### **Qualifying Conditions**

**Jobseeker's allowance (contribution-based):** Over age 18, involuntarily unemployed, or working fewer than 16 hours per week. Persons aged 16 or 17 may qualify in restricted circumstances. Contributions paid on earnings of at least 25 times the lower earnings level in 1 of the last 2 complete tax years (April to March) before start of benefit year (January to December) in which claim is made. Paid or credited contributions on earnings of at least 50 times lower earnings level in both relevant tax years. Registered as unemployed; capable of and actively seeking employment; have a current Jobseeker's Agreement; earning less than prescribed amount; and physically present in Isle of Man. Adjudication Officers handle questions relating to availability, unemployment due to misconduct, refusal of employment, or other disputes relating to the Jobseeker's Agreement.



**Jobseeker's enhanced allowance:** Additional weekly payment for those entitled to jobseeker's allowance. Where period of unemployment is preceded by 2 continuous years of employment within Isle of Man, may be paid for up to 52 weeks, despite 26-week limit on jobseeker's allowance.

**Jobseeker's allowance (income-based):** Payable to those not entitled to contribution-based jobseeker's allowance or for whom it is insufficient. Income must not exceed a prescribed amount, and savings in excess of £10,000 may reduce benefit payable. Not payable if savings exceed £15,000. Adjudication Officers handle questions relating to availability, unemployment due to misconduct, refusal of employment, or other disputes relating to Jobseeker's Agreement. Registered as unemployed; capable of and actively seeking employment; have a current Jobseeker's Agreement; earning less than prescribed amount; and physically present in Isle of Man.

**Back-to-work bonus:** A lump-sum payment to those under age 60 with part-time earnings while receiving income support or jobseeker's allowance when they begin employment of 16 hours a week or more.

### Unemployment Benefits

**Jobseeker's allowance (contribution-based):** Payable for up to 6 months after 3-day waiting period. Allowance is £31.95 a week if under age 18; £42.00 a week if under age 25, and £53.05 a week if aged 25 or older.

**Jobseeker's enhanced allowance:** Payable for up to 12 months. Allowance is £42.00 a week for those between ages 18 and 25; £53.05 a week for those aged 25 or older.

**Jobseeker's allowance (income-based):** Varies depending on age and household income and composition. For example, a person aged 18 who lives with parents may receive £65.45 a week plus a contribution toward housing costs: a married man with two teenage children may receive £174.15 a week plus housing costs.

### Administrative Organization

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

## Family Allowances

### Regulatory Framework

**First law:** 1951.

**Current law:** 1992 (consolidated legislation).

**Type of program:** Universal (Child Benefit) and social assistance scheme (Family Income Supplement).

### Coverage

Residents with one or more children.

### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

### Qualifying Conditions

**Child benefit (noncontributory, universal benefit):** 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 preceding 52 weeks.

**Family income supplement (income-tested):** Payable to parents, or childless married couples, working more than 16 hours a week with a low income. Less than £15,000 in savings. Residential qualification.

**Child maintenance bonus:** Parents who are receiving income support or income-based jobseeker's allowance, care for dependent child for whom child maintenance is received, and work at least 16 hours a week.

### Family Allowance Benefits

**Child benefit:** £17.55 a week for children under age 16 and £25.80 a week for a schoolchild aged 16 or older.

**Family income supplement:** Amount depends on income, partner's income, and number of children and their ages. Award of £0.70 for every £1.00 that income falls short of prescribed amount. Certain earnings may be disregarded when calculating actual family income.

**Child maintenance bonus:** Up to £5 a week up to a maximum of £1,000. Lump sum is paid when recipient works for at least 16 hours a week.

### Administrative Organization

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