

1. Title of measure

Social Security Legislation (Benefits) (Application) (Amendment) (No. 4) Order 2016

2. Changes in policy

There is no significant change in policy.

3. Effects of the measure

3.1 The Order makes a number of amendments to the Jobseeker's Allowance Regulations 1996, as they have effect in the Island ("the Jobseeker's Allowance Regulations").

3.2 Since November 2015 jobseekers claiming income-based jobseeker's allowance (JSA) for at least 6 months have their personal allowances reduced. For those who have been claiming for at least 6 months but less than 9 months their personal allowance is reduced by 20% (any additional amounts for children or housing costs are unaffected). Personal allowances are reduced by another 10% after they have been claiming JSA for 9 months and by a further 10% after 12 months of claiming JSA. Thus, a person who has been claiming JSA for over 12 months has their personal allowance reduced by 40%. These changes were made primarily to increase work incentives for jobseekers who have been claiming benefit for longer periods.

3.3 The changes made by this Order provide for different arrangements for certain persons, as described below.

3.4 People leaving incapacity benefits after a personal capability assessment (PCA) who subsequently claim JSA

3.4.1 People who –

- a) have been entitled to incapacity benefit or income support because they are incapable of work for at least 28 weeks;
- b) are then determined as being capable of work in accordance with a personal capability assessment (PCA);
- c) lose entitlement to their benefit because of b); and
- d) are then claim income-based JSA in the 28 days after their earlier benefit award ends

will only have their JSA personal allowances reduced after 12 months of claiming JSA, rather than after 6 months under the current rules (effectively, the first 6 months of their claiming JSA will be ignored for the purpose of the reductions).

3.4.2 After 12 months of claiming JSA their personal allowances will be reduced by 20%. Personal allowances will be reduced by another 10% after 15 months of claiming JSA and by a further 10% after 18 months of claiming JSA (i.e., by 40% in total).

3.5 **People with a personal characteristic or severe learning disability as a result of which they have no reasonable prospects of securing work**

3.5.1 People -

- a) who have a "personal characteristic" outside of their control, or who are suffering from a "severe learning disability"; and
- b) as a result of that characteristic or disability an adjudication officer is satisfied that they have no reasonable prospects of securing remunerative work

will not have their income-based JSA reduced on account of the duration of their claim, regardless of how long they have been claiming JSA for.

3.5.2 The amendments made to the Jobseeker's Allowance Regulations by this Order specify that certain things do not qualify as a "personal characteristic" (e.g., drug or alcohol dependency, tattoos and body piercings) and define what a "severe learning disability" is for these purposes. They also provide that, in deciding whether or not a person has no reasonable prospects of securing remunerative work, an adjudication officer must take into account whether that person has been entitled to JSA in the previous 26 weeks.

3.6 Consequential amendments are also made by the Order.

4. Reasons for the measures

4.1 The changes made by the Order recognise that persons who have left incapacity benefit after a prolonged time on that benefit may not be "work-ready" and will generally find it harder to get work than others, for example because their work skills and training are not up-to-date or they might have a health condition which limits their capacity to do some types of work. They are therefore likely to need to stay on JSA longer as they prepare to become work ready and in a realistic position to take up training opportunities and apply for job vacancies.

4.2 The changes also recognise that persons with certain personal characteristics or who are suffering from a learning disability (but who are not incapable of work for benefit purposes) are likely to find it harder to get work than others and may therefore need to claim JSA for significantly longer periods than others.

5. Legal Powers or Legal Advice obtained

This Order is made by the Treasury in exercising its legal powers under section 1A of the Social Security Act 2000. Legal advice from the Attorney General's Chambers was sought in drafting the Order.

6. Resource Implications

It is estimated that the changes made by this Order will incur additional expenditure of not more than £100,000 per year, from general revenue. This will be accommodated within the existing budget. No additional personnel resources will be required.

7. Tynwald Procedure

This Order requires the approval of Tynwald (see section 2(1) of the Social Security Act 2000).