

1. Title of measure

Social Security Contributions and Benefits Act 1992 (Application) (Amendment) (No. 8) Order 2021

2. Changes in policy

There is no change in policy.

3. Effects of the measure

- 3.1 This Order increases the rate of short-term incapacity benefit for persons incapable of work (for any reason) for each of the first 14 days of incapacity for work in any one (and only one) period of incapacity for work in a continuous 26 week-period.
- 3.2 For these purposes any 2 periods of incapacity for work separated by a period of 26 weeks or less are treated as one period of incapacity for work.
- 3.3 The weekly rate for the first 14 days of incapacity for work is increased from £86.55 to £230.00. From the 15th day of incapacity for work the rate payable is £86.55 a week (i.e., the regular rate).
- 3.4 The enhanced rate of benefit for the first 14 days of incapacity for work applies for any day of incapacity for work in a period of incapacity for work beginning on or after 18 July 2021.

4. Reasons for the measure

- 4.1 The rate of short-term incapacity benefit is being increased in this way in particular to encourage people to self-isolate in accordance with public health guidance or a public health direction and to refrain from attending their place of work until they have a negative test.
- 4.2 But it will also be of benefit to individuals who become incapacitated for work for other reasons. Treasury decided that it would be inequitable not to extend the 2-week enhancement to such persons.
- 4.3 It should be noted that this is a temporary measure, which will be reviewed by Treasury when the number of active COVID cases in the Island falls to a nominal level.

5. Legal Powers or Legal Advice obtained

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

6. Resource implications

The increase in expenditure as a result of this Order is estimated to be between £250,000 and £500,000, which will be met out of the Manx National Insurance Fund.