



Statutory Document No. 92/00

THE SOCIAL SECURITY ACT 1982

THE SOCIAL SECURITY ACT 1998 (APPLICATION) ORDER 2000

Approved by Tynwald 21st March 2000

Coming into operation in accordance with Article 1

In exercise of the powers conferred on the Department of Health and Social Security by section 1 of the Social Security Act 1982(a), and of all other enabling powers, the following Order is hereby made:-

Citation and commencement

1. (1) This Order may be cited as the Social Security Act 1998 (Application) Order 2000 and shall, subject to section 1(6) of the Social Security Act 1982, come into force as provided in paragraphs (2) and (3).

(2) This Article and Articles 2 and 3 shall come into force forthwith and Parts II to IV and Schedules 6, 7 (except for those paragraphs of Schedule 7 detailed in paragraph (3) below) and 8, of the applied legislation, as modified, shall come into force or be deemed to have come into force, as the case may be, on the same day as that provision came into force in Great Britain.

(3) Part I, Schedules 1 to 5, and paragraphs 63-66, 68, 69, 71(a), 72, 73, 77(10), 79, 81, 84, 101, 102, 107-109, 111, 113, 116, 129-132, 134, 135, 138, 144, 146 and 151-153 of Schedule 7 of the applied legislation, as modified, shall come into force on 6th October 2000.

Interpretation

2. (1) In this Order "the applied legislation" means the Social Security Act 1998(b).

(a) 1982 c. 9; (b) 1998 c. 14.

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(2) Unless the context otherwise requires -

- (a) any reference in any of the applied legislation to any provision in an instrument of a legislative character which is not itself a provision of any of the applied legislation shall be construed as if the provision so referred to had been in force in the Island from the date on which that instrument of a legislative character had effect in Great Britain;
- (b) reference in any legislation applied by this Order to any provision of any such legislation or of any other legislation applied to the Island by an order under section 1 of the Social Security Act 1982 or section 1 of the Pension Schemes Act 1995(a), shall be construed as a reference to that legislation as it has effect in the Island.

Application to the Island of the applied legislation

3. The applied legislation, as modified and shown in the Schedule to this Order, shall apply to the Island as part of the law of the Island.

(a) 1995 c. 11.

SCHEDULE

This Schedule sets out the text of the Social Security Act 1998, chapter 14, with such exceptions, adaptations and modifications made where necessary.

Note: modifications subject to which the legislation is applied to the Island are in *bold italic* type.

Social Security Act 1998

1998 CHAPTER 14

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Part I

Decisions and Appeals

Chapter I

General

Decisions

Appointment of officers.

1. (1) *The Department shall appoint -*

- (a) *adjudication officers; and*
- (b) *a chief adjudication officer.*

(2) *An adjudication officer may be appointed to perform all the functions of adjudication officers under any enactment or such functions of such officers as may be specified in his instrument of appointment.*

(3) *It shall be the duty of the chief adjudication officer to -*

- (a) *advise adjudication officers on the performance of their functions under this or any other Act;*
- (b) *keep under review the operation of the system of adjudication by adjudication officers and matters connected with the operation of that system.*

Use of computers.

2. *Omitted.*

Use of information.

3. *Omitted.*

Appeals

Unified appeal tribunals.

4. (1) Subject to the provisions of this Act the functions of social security appeal tribunals and disability appeal tribunals constituted under Part II of the Administration Act are hereby transferred to appeal tribunals constituted under the following provisions of this Chapter.

(2) Accordingly appeals under -

- (a) section 12 below;
- (b) - (c) *Omitted;*
- (d) section 11 of the Social Security (Recovery of Benefits) Act 1997,

shall be determined by appeal tribunals so constituted (in the following provisions of this Chapter referred to as "appeal tribunals").

Tribunal Chairmen.

5. (1) *The Governor shall, after consultation with the Attorney General, appoint a panel of chairmen of appeal tribunals.*

(2) *A person is qualified to be appointed to the panel of chairmen if he is a barrister, advocate or solicitor of not less than 7 years standing.*

(3) *A person appointed to a panel under this section shall hold and vacate that office in accordance with the terms of his appointment.*

(4) Schedule 1 to this Act shall have effect for supplementing this section.

Panel for appointment of appeal tribunals.

6. (1) *The Governor shall constitute a panel of persons to act as members of appeal tribunals.*

(2) *Subject to subsection (3) below, the panel shall be composed of such persons as the Governor thinks fit to appoint .*

(3) *The panel shall include -*

(a) *persons who appear to the Governor to represent employed earners;*

(b) *persons who appear to him to represent employers and earners other than employed earners;*

(c) *medical practitioners;*

(d) *persons, other than medical practitioners, who are experienced in dealing with the needs of disabled persons -*

(i) *in a professional or voluntary capacity; or*

(ii) *because they are themselves disabled; and*

(e) *such other persons as the Governor, in consultation with the Department thinks fit.*

(4) *Before appointing members of the panel, the Governor shall take into consideration any recommendations from such organisations or persons as he considers appropriate.*

(5) *The members of the panel shall hold office for such periods as the Governor may direct, but the Governor may at any time terminate the appointment of any member of the panel.*

Constitution of appeal tribunals.

7. (1) *An appeal tribunal shall consist of a Chairman drawn from the panel constituted under section 5 above, sitting with at least two other members drawn from the panel constituted under section 6 above.*

(2) *The members drawn from the panel constituted under section 6 above shall include -*

(a) *a representative of employed earners as mentioned in 6(2)(a); and*

(b) *a representative of employers, as mentioned in 6(2)(b).*

(3) *Decisions shall be taken by a majority of votes; and unless regulations otherwise provide, the chairman shall have a casting vote.*

(4) Where it appears to an appeal tribunal that a matter before it involves a question of fact of special difficulty, then, unless regulations otherwise provide, the tribunal may require one or more experts to provide assistance to it in dealing with the question.

(5) In subsection (4) above "expert" means a member of a panel constituted under section 6 above who appears to the appeal tribunal concerned to have knowledge or experience which would be relevant in determining the question of fact of special difficulty.

(6) Regulations shall make provision with respect to -

- (a) the composition of appeal tribunals;
- (b) *Omitted*; and
- (c) the manner in which expert assistance is to be given under subsection (4) above.

(7) Schedule 1 to this Act shall have effect for supplementing this section.

Chapter II

Social Security *Questions*, Decisions and Appeals

Questions for the Department.

7A. (1) Subject to this Part of this Act, any of the following questions shall be determined by the Department -

- (a) *a question whether a person is an earner and, if he is, as to the category of earners in which he is to be included;*
- (b) *subject to subsection (2) below, a question whether the contribution conditions for any benefit are satisfied, or otherwise relating to a person's contributions or his earnings factor;*
- (c) *a question whether a person is or was employed in employed earner's employment for the purposes of Part V of the Contributions and Benefits Act;*
- (d) *a question as to whether a person was, within the meaning of regulations, precluded from regular employment by responsibilities at home;*
- (e) *any question as to which surpluses are to be taken into account under section 45(1) of the Contributions and Benefits Act; and*
- (f) *any question arising under section 27 of the Jobseekers Act 1995, or under any provision of regulations under that section, as to -*
 - (i) *whether a person is, or was, an employee or employer of another;*
 - (ii) *whether an employer is entitled to make any deduction from his contributions payments in accordance with regulations under section 27 of that Act;*
 - (iii) *whether a payment falls to be made to an employer in accordance with those regulations;*
 - (iv) *the amount that falls to be so deducted or paid; or*

- (v) *whether two or more employers are, by virtue of regulations under section 27 of that Act, to be treated as one.*

(2) *Subsection (1)(b) above includes any question arising -*

- (a) *under section 17(1) of the Contributions and Benefits Act as to whether by regulations under that subsection a person is excepted from liability for Class 4 contributions, or his liability is deferred; or*
- (b) *under regulations made by virtue of section 17(3) or (4) or 18 of that Act;*

but not any other question relating to Class 4 contributions, nor any decision within section 8 below.

(3) *Regulations may make provision restricting the persons who may apply to the Department for the determination of any such question as is mentioned in subsection (1) above.*

(4) *The Department may, if it thinks fit, before determining any such question as is mentioned in subsection (1) above, appoint a person to hold an inquiry into the question, or any matters arising in connection with it, and to report on the question, or on those matters, to the Department.*

Appeal on Question of Law

7B. (1) *A question of law arising in connection with the determination by the Department of any such question as is mentioned in section 7A(1) above may, if the Department thinks fit, be referred for decision to the High Court.*

(2) *If the Department determines in accordance with subsection (1) above to refer any question of law to the court, it shall give notice in writing of its intention to do so -*

- (a) *in a case where the question arises on an application made to the Department, to the applicant; and*
- (b) *in any case to such persons as appear to the Department to be concerned with the question.*

(3) *Any person aggrieved by the decision of the Department on any question of law within subsection (1) above which is not referred in accordance with that subsection may appeal from that decision to the court.*

(4) *The Department shall be entitled to appear and be heard on any such reference or appeal.*

(5) *Rules of court may include provision for regulating references and appeals under this section and for limiting the time within which such appeals may be brought.*

(6) *Notwithstanding anything in any Act, the decision of the court on a reference or appeal under this section shall be final.*

(7) *On any such reference or appeal the court may order the Department to pay the costs of any other person, whether or not the decision is in that other person's favour and whether or not the Department appears on the reference or appeal.*

Review of Decisions

7C. (1) *Subject to subsection (2) below, the Department may review any decision given by it on any such question as is mentioned in section 7A(1) above, if -*

- (a) *new facts have been brought to the Department's notice; or*
- (b) *the Department is satisfied that the decision -*
 - (i) *was given in ignorance of some material fact;*
 - (ii) *was based on a mistake as to some material fact; or*
 - (iii) *was erroneous in point of law.*

(2) *A decision shall not be reviewed while an appeal under section 7B above is pending against the decision of the Department on a question of law arising in connection with it, or before the time for so appealing has expired.*

(3) *On a review any question of law may be referred under subsection (1) of section 7B above or, where it is not so referred, may be the subject of an appeal under subsection (3) of that section, and the other provisions of that section shall apply accordingly.*

Decisions by an Adjudication Officer.

8. (1) Subject to the provisions of this Chapter, it shall be for *an adjudication officer -*

- (a) to decide any claim for a relevant benefit;
- (b) to decide any claim for a social fund payment mentioned in section 138(1)(b) of the Contributions and Benefits Act;
- (c) to make any decision *concerning a relevant benefit* that falls to be made under or by virtue of a relevant enactment; and
- (d) *Omitted.*

(2) Where at any time a claim for a relevant benefit is decided by *an adjudication officer -*

- (a) the claim shall not be regarded as subsisting after that time; and
- (b) accordingly, the claimant shall not (without making a further claim) be entitled to the benefit on the basis of circumstances not pertaining at that time.

(3) In this Chapter "relevant benefit" means any of the following, namely -

- (a) benefit under Parts II to V of the Contributions and Benefits Act;
- (b) a jobseeker's allowance;
- (c) income support;
- (d) *family income supplement;*
- (e) disability working allowance;
- (f) a social fund payment mentioned in section 138(1)(a) of the Contributions and Benefits Act;

- (g) child benefit;
- (h) such other benefit as may be prescribed.

(4) In this section "relevant enactment" means any enactment contained in this Chapter, the Contributions and Benefits Act, the Administration Act, the Social Security (Consequential Provisions) Act 1992 or the Jobseekers Act.

(5) *Omitted.*

Revision of decisions.

9.(1) Any decision of *an adjudication officer* under section 8 above or section 10 below may be revised by *an adjudication officer* -

- (a) either within the prescribed period or in prescribed cases or circumstances; and
- (b) either on an application made for the purpose or on his own initiative;

and regulations may prescribe the procedure by which a decision of *an adjudication officer* may be so revised.

(2) In making a decision under subsection (1) above, *an adjudication officer* need not consider any issue that is not raised by the application or, as the case may be, did not cause him to act on his own initiative.

(3) Subject to subsections (4) and (5) and section 27 below, a revision under this section shall take effect as from the date on which the original decision took (or was to take) effect.

(4) Regulations may provide that, in prescribed cases or circumstances, a revision under this section shall take effect as from such other date as may be prescribed.

(5) Where a decision is revised under this section, for the purpose of any rule as to the time allowed for bringing an appeal, the decision shall be regarded as made on the date on which it is so revised.

(6) Except in prescribed circumstances, an appeal against a decision of *an adjudication officer* shall lapse if the decision is revised under this section before the appeal is determined.

Decisions superseding earlier decisions.

10. (1) Subject to subsections (3) and (4) below, the following, namely -

- (a) any decision of *an adjudication officer* under section 8 above or this section, whether as originally made or as revised under section 9 above; and
- (b) any decision under this Chapter of an appeal tribunal or a Commissioner,

may be superseded by a decision made by *an adjudication officer*, either on an application made for the purpose or on his own initiative.

(2) In making a decision under subsection (1) above, the *adjudication officer* need not consider any issue that is not raised by the application or, as the case may be, did not cause him to act on his own initiative.

(3) Regulations may prescribe the cases and circumstances in which, and the procedure by which, a decision may be made under this section.

(4) *Omitted.*

(5) Subject to subsection (6) and section 27 below, a decision under this section shall take effect as from the date on which it is made or, where applicable, the date on which the application was made.

(6) Regulations may provide that, in prescribed cases or circumstances, a decision under this section shall take effect as from such other date as may be prescribed.

Regulations with respect to decisions.

11. (1) Subject to the provisions of this Chapter and the Administration Act, provision may be made by regulations for the making of any decision by *the Department or an adjudication officer* under or in connection with the current legislation, or the former legislation, including a decision on a claim for benefit.

(2) Where it appears to *the Department or an adjudication officer* that a matter before *it or him* involves a question of fact requiring special expertise, *it or he* may direct that in dealing with that matter *it or he* shall have the assistance of one or more experts.

(3) In this section -

“the current legislation” means the Contributions and Benefits Act, the Jobseekers Act and the Social Security (Recovery of Benefits) Act 1997;

“expert” means a person appearing to the *Department* to have knowledge or experience which would be relevant in determining the question of fact requiring special expertise;

“the former legislation” means the National Insurance (*Isle of Man*) Acts 1971 to 1974 (*Acts of Tynwald*), the National Insurance (Industrial Injuries) (*Isle of Man*) Acts 1971 to 1974 (*Acts of Tynwald*), the Social Security Act 1975, *the Supplementary Benefits Act 1976*, and Part II of the Social Security Act 1986.

Appeal to appeal tribunal.

12.(1) This section applies to any decision of *an adjudication officer* under section 8 or 10 above (whether as originally made or as revised under section 9 above) which -

- (a) is made on a claim for, or on an award of, a relevant benefit, and does not fall within Schedule 2 to this Act; or
- (b) is made otherwise than on such a claim or award, and falls within Schedule 3 to this Act.

(2) In the case of a decision to which this section applies, the claimant and such other person as may be prescribed shall have a right to *appeal to an appeal tribunal* but nothing in this subsection shall confer a right of appeal in relation to a prescribed decision, or a prescribed determination embodied in or necessary to a decision.

(3) Regulations under subsection (2) above shall not prescribe any decision or determination that relates to the conditions of entitlement to a relevant benefit for which a claim has been validly made or for which no claim is required.

(4) Where *an adjudication officer* has determined that any amount is recoverable under or by virtue of section 71 or 74 of the Administration Act, any person from whom he has determined that it is recoverable shall have the same right of appeal to an appeal tribunal as a claimant.

(5) In any case where -

- (a) *an adjudication officer* has made a decision in relation to a claim under Part V of the Contributions and Benefits Act; and
- (b) the entitlement to benefit under that Part of that Act of any person other than the claimant is or may be, under Part VI of Schedule 7 to that Act, affected by that decision,

that other person shall have the same right of appeal to an appeal tribunal as the claimant.

(6) A person with a right of appeal under this section shall be given such notice of a decision to which this section applies and of that right as may be prescribed.

(7) Regulations may make provision as to the manner in which, and the time within which, appeals are to be brought.

(8) In deciding an appeal under this section, an appeal tribunal -

- (a) need not consider any issue that is not raised by the appeal; and
- (b) shall not take into account any circumstances not pertaining at the time when the decision appealed against was made.

(9) The reference in subsection (1) above to a decision under section 10 above is a reference to a decision superseding any such decision as is mentioned in paragraph (a) or (b) of subsection (1) of that section.

Redetermination etc. of appeals by tribunal.

13. (1) This section applies where an application is made to a person under section 14(10)(a) below for leave to appeal from a decision of an appeal tribunal.

(2) If the person considers that the decision was erroneous in point of law, he may set aside the decision and refer the case either for redetermination by the tribunal or for determination by a differently constituted tribunal.

(3) If each of the principal parties to the case expresses the view that the decision was erroneous in point of law, the person shall set aside the decision and refer the case for determination by a differently constituted tribunal.

(4) In this section and section 14 below "principal parties" means -

- (a) the persons mentioned in subsection (3)(a) and (b) of that section; and
- (b) where applicable, the person mentioned in subsection (3)(d) and such a person as is first mentioned in subsection (4) of that section.

Appeal from tribunal to Commissioner.

14. (1) Subject to the provisions of this section, an appeal lies to a Commissioner from any decision of an appeal tribunal under section 12 or 13 above on the grounds that the decision of the tribunal was erroneous in point of law.

(2) *Omitted.*

(3) An appeal lies under this section at the instance of any of the following -

- (a) *an adjudication officer;*

(aa) *the Department;*

- (b) the claimant and such other person as may be prescribed;
- (c) in any of the cases mentioned in subsection (5) below, a trade union; and
- (d) a person from whom it is determined that any amount is recoverable under or by virtue of section 71 or 74 of the Administration Act.

(4) In a case relating to industrial injuries benefit an appeal lies under this section at the instance of a person whose entitlement to benefit is, or may be, under Part VI of Schedule 7 to the Contributions and Benefits Act, affected by the decision appealed against, as well as at the instance of any person or body such as is mentioned in subsection (3) above.

(5) The following are the cases in which an appeal lies at the instance of a trade union -

- (a) where the claimant is a member of the union at the time of the appeal and was so immediately before the matter in question arose;
- (b) where that matter in any way relates to a deceased person who was a member of the union at the time of his death;
- (c) where the case relates to industrial injuries benefit and the claimant or, in relation to industrial death benefit, the deceased, was a member of the union at the time of the relevant accident.

(6) Subsections (2), (3) and (5) above, as they apply to a trade union, apply also to any other association which exists to promote the interests and welfare of its members.

(7) If each of the principal parties to the appeal expresses the view that the decision appealed against was erroneous in point of law, the Commissioner may set aside the decision and refer the case to a tribunal with directions for its determination.

(8) Where the Commissioner holds that the decision appealed against was erroneous in point of law, he shall set it aside and -

- (a) he shall have power -
 - (i) to give the decision which he considers the tribunal should have given, if he can do so without making fresh or further findings of fact; or
 - (ii) if he considers it expedient, to make such findings and to give such decision as he considers appropriate in the light of them; and
- (b) in any other case he shall refer the case to a tribunal with directions for its determination.

(9) Subject to any direction of the Commissioner, a reference under subsection (7) or (8)(b) above shall be to a differently constituted tribunal.

(10) No appeal lies under this section without the leave -

- (a) of the chairman of the tribunal when the decision was given or, in a prescribed case, the leave of such other person as may be prescribed; or
- (b) subject to and in accordance with regulations, of a Commissioner.

(11) Regulations may make provision as to the manner in which, and the time within which, appeals are to be brought and applications made for leave to appeal.

(12) Schedule 4 to this Act shall have effect with respect to the appointment, remuneration and tenure of office of Commissioners and other matters relating to them.

Appeal from Commissioner on point of law.

15. (1) Subject to subsections (2) and (3) below, an appeal on a question of law shall lie to the appropriate court from any decision of a Commissioner.

(2) No appeal under this section shall lie from a decision except -

- (a) with the leave of the Commissioner who gave the decision or, in a prescribed case, with the leave of a Commissioner selected in accordance with regulations; or
- (b) if he refuses leave, with the leave of the appropriate court.

(3) An application for leave under this section in respect of a Commissioner's decision may only be made by -

- (a) a person who, before the proceedings before the Commissioner were begun, was entitled to appeal to the Commissioner from the decision to which the Commissioner's decision relates;
- (b) any other person who was a party to the proceedings in which the first decision mentioned in paragraph (a) above was given;
- (c) any other person who is authorised by regulations to apply for leave;
- (d) *the Department, in any case where it is not entitled to apply for leave by virtue of paragraph (a) or (b) above;*

and regulations may make provision with respect to the manner in which and the time within which applications must be made to a Commissioner for leave under this section and with respect to the procedure for dealing with such applications.

(4) *Omitted.*

(5) In this section "the appropriate court" *means the High Court of Justice of the Isle of Man.*

Procedure etc.

Procedure.

16. (1) Regulations (procedure regulations) may make any such provision as is specified in Schedule 5 to this Act.

(2) Procedure regulations prescribing the procedure to be followed in cases before a Commissioner shall provide that any hearing shall be in public except in so far as the Commissioner for special reasons otherwise directs.

(3) It is hereby declared -

- (a) that the power to prescribe procedure includes power to make provision as to the representation of a person, at any hearing of a case, by another person whether having professional qualifications or not; and

- (b) that the power to provide for the procedure to be followed in connection with the making of decisions by the *Department* includes power to make provision with respect to the formulation of the matters to be decided, whether on a reference under section 117 of the Administration Act or otherwise.

(4) - (5) *Omitted.*

(6) If it appears to a Commissioner that a matter before him involves a question of fact of special difficulty, he may direct that in dealing with that matter he shall have the assistance of one or more experts.

In this subsection "expert" means a person appearing to the Commissioner to have knowledge or experience which would be relevant in determining the question of fact of special difficulty.

(7) - (8) *Omitted.*

(9) Except so far as it may be applied by procedure regulations, the Arbitration Act 1976 (*an Act of Tynwald*) shall not apply to any proceedings under this Chapter.

Finality of decisions.

17. (1) Subject to the provisions of this Chapter, any decision made in accordance with the foregoing provisions of this Chapter shall be final and subject to the provisions of any regulations under section 11 above, any decision made in accordance with those regulations shall be final.

(2) If and to the extent that regulations so provide, any finding of fact or other determination embodied in or necessary to such a decision, or on which such a decision is based, shall be conclusive for the purposes of further such decisions.

Matters arising as respects decisions.

18. (1) Regulations may make provision as respects matters arising -

- (a) pending any decision under this Chapter of *the Department, an adjudication officer*, an appeal tribunal or a Commissioner which relates to -
- (i) any claim for a relevant benefit;
 - (ii) any person's entitlement to such a benefit or its receipt;
 - (iii) *Omitted;*
 - (iv) any person's liability for contributions; or
- (b) out of the revision under section 9 above or on appeal of any such decision.

(2) Regulations under subsection (1) above as it applies to child benefit may include provision as to the date from which child benefit is to be payable to a person in respect of a child in a case where, before the benefit was awarded to that person, child benefit in respect of the child was awarded to another person.

Medical examinations.

Medical examinations required by an adjudication officer.

19. (1) Before making a decision on a claim for a relevant benefit, or as to a person's entitlement to such a benefit, *an adjudication officer* may refer the person -

- (a) in respect of whom the claim is made; or
- (b) whose entitlement is at issue,

to a medical practitioner for such examination and report as appears to the *adjudication officer* to be necessary for the purpose of providing him with information for use in making the decision.

(2) Subsection (3) below applies where -

- (a) the *adjudication officer* has exercised the power conferred on him by subsection (1) above; and
- (b) the medical practitioner requests the person referred to attend for, or submit himself to, a medical examination.

(3) If the person fails without good cause to comply with the request, the *adjudication officer* shall make the decision against him.

Medical examinations required by appeal tribunal.

20. (1) This section applies where an appeal has been brought under section 12 above against a decision on a claim for a relevant benefit, or as to a person's entitlement to such a benefit.

(2) A *Chairman* may, if prescribed conditions are satisfied, refer the person -

- (a) in respect of whom the claim is made; or
- (b) whose entitlement is at issue,

to a medical practitioner for such examination and report as appears to the *Chairman* to be necessary for the purpose of providing an appeal tribunal with information for use in determining the appeal.

(3) At a hearing before an appeal tribunal, except in prescribed cases or circumstances, the tribunal -

- (a) may not carry out a physical examination of the person mentioned in subsection (2) above; and
- (b) may not require that person to undergo any physical test for the purpose of determining whether he satisfies the condition mentioned in section 73(1)(a) of the Contributions and Benefits Act.

Suspension and termination of benefits.

Suspension in prescribed circumstances.

21.(1) Regulations may provide for -

- (a) suspending payments of a relevant benefit, in whole or in part, in prescribed circumstances;

- (b) the subsequent making in prescribed circumstances of any or all of the payments so suspended.

(2) Regulations made under subsection (1) above may, in particular, make provision for any case where -

- (a) it appears to the *Department* that an issue arises whether the conditions for entitlement to a relevant benefit are or were fulfilled;
- (b) it appears to the *Department* that an issue arises whether a decision as to an award of a relevant benefit should be revised (under section 9 above) or superseded (under section 10 above);
- (c) an appeal is pending against a decision of an appeal tribunal, a Commissioner or a court; or
- (d) an appeal is pending against the decision given in a different case by a Commissioner or a court, and it appears to the *Department* that if the appeal were to be determined in a particular way an issue would arise whether the award of a relevant benefit (whether the same benefit or not) in the case itself ought to be revised or superseded.

(3) For the purposes of subsection (2) above, an appeal against a decision is pending if -

- (a) an appeal against the decision has been brought but not determined;
- (b) an application for leave to appeal against the decision has been made but not determined; or
- (c) in such circumstances as may be prescribed, an appeal against the decision has not been brought (or, as the case may be, an application for leave to appeal against the decision has not been made) but the time for doing so has not yet expired.

(4) *Omitted.*

Suspension for failure to furnish information.

22.(1) The powers conferred by this section are exercisable in relation to persons who fail to comply with information requirements.

(2) Regulations may provide for -

- (a) suspending payments of a relevant benefit, in whole or in part;
- (b) the subsequent making in prescribed circumstances of any or all of the payments so suspended.

(3) In this section and section 23 below information requirement means a requirement, made in pursuance of regulations under subsection (1)(hh) of section 5 of the Administration Act, to furnish information or evidence needed for a determination whether a decision on an award of benefit to which that section applies should be revised under section 9 or superseded under section 10 above.

Termination in cases of failure to furnish information.

23. Regulations may provide that, except in prescribed cases or circumstances, a person -

- (a) whose benefit has been suspended in accordance with regulations under section 21 above and who subsequently fails to comply with an information requirement; or

- (b) whose benefit has been suspended in accordance with regulations under section 22 above for failing to comply with such a requirement,

shall cease to be entitled to the benefit from a date not earlier than the date on which payments were suspended.

Suspension and termination for failure to submit to medical examination.

24. Regulations may make provision -

- (a) enabling the *Department* to require a person to whom a relevant benefit has been awarded to submit to medical examination;
- (b) for suspending payments of benefit, in whole or in part, in a case of a person who fails to submit himself to a medical examination to which he is required to submit in accordance with regulations under paragraph (a) above;
- (c) for the subsequent making in prescribed circumstances of any or all of the payments so suspended;
- (d) for entitlement to the benefit to cease, except in prescribed cases or circumstances, from a date not earlier than the date on which payments were suspended.

Decisions and appeals dependent on other cases.

Decisions involving issues that arise on appeal in other cases.

25.(1) This section applies where -

- (a) a decision by *an adjudication officer* falls to be made under section 8, 9 or 10 above in relation to a particular case; and
- (b) an appeal is pending against the decision given in another case by a Commissioner or a court (whether or not the two cases concern the same benefit).

(2) In a case relating to a relevant benefit, the *adjudication officer* need not make the decision while the appeal is pending if he considers it possible that the result of the appeal will be such that, if it were already determined, there would be no entitlement to benefit.

(3) If the *adjudication officer* considers it possible that the result of the appeal will be such that, if it were already determined, it would affect the decision in some other way -

- (a) he need not, except in such cases or circumstances as may be prescribed, make the decision while the appeal is pending;
- (b) he may, in such cases or circumstances as may be prescribed, make the decision on such basis as may be prescribed.

(4) Where *an adjudication officer* acts in accordance with subsection (3)(b) above, following the determination of the appeal he shall if appropriate revise his decision (under section 9 above) in accordance with that determination.

(5) For the purposes of this section, an appeal against a decision is pending if -

- (a) an appeal against the decision has been brought but not determined;

- (b) an application for leave to appeal against the decision has been made but not determined; or
- (c) in such circumstances as may be prescribed, an appeal against the decision has not been brought (or, as the case may be, an application for leave to appeal against the decision has not been made) but the time for doing so has not yet expired.

Appeals involving issues that arise on appeals in other cases.

26.(1) This section applies where -

- (a) an appeal ("appeal A") in relation to a decision under section 8, 9 or 10 above is made to an appeal tribunal, or from an appeal tribunal to a Commissioner; and
- (b) an appeal ("appeal B") is pending against a decision given in a different case by a Commissioner or a court (whether or not the two appeals concern the same benefit).

(2) If the *Department* considers it possible that the result of appeal B will be such that, if it were already determined, it would affect the determination of appeal A, *it* may serve notice requiring the tribunal or Commissioner -

- (a) not to determine appeal A but to refer it to *an adjudication officer*; or
- (b) to deal with the appeal in accordance with subsection (4) below.

(3) Where appeal A is referred to *an adjudication officer* under subsection (2)(a) above, following the determination of appeal B and in accordance with that determination, he shall if appropriate -

- (a) in a case where appeal A has not been determined by the tribunal, revise (under section 9 above) his decision which gave rise to that appeal; or
- (b) in a case where appeal A has been determined by the tribunal, make a decision (under section 10 above) superseding the tribunal's decision.

(4) Where appeal A is to be dealt with in accordance with this subsection, the appeal tribunal or Commissioner shall either -

- (a) stay appeal A until appeal B is determined; or
- (b) if the tribunal or Commissioner considers it to be in the interests of the appellant to do so, determine appeal A as if -
 - (i) appeal B had already been determined; and
 - (ii) the issues arising on appeal B had been decided in the way that was most unfavourable to the appellant.

In this subsection "the appellant" means the person who appealed or, as the case may be, first appealed against the decision mentioned in subsection (1)(a) above.

(5) Where the appeal tribunal or Commissioner acts in accordance with subsection (4)(b) above, following the determination of appeal B *an adjudication officer* shall, if appropriate, make a decision (under section 10 above) superseding the decision of the tribunal or Commissioner in accordance with that determination.

(6) For the purposes of this section, an appeal against a decision is pending if -

- (a) an appeal against the decision has been brought but not determined;

- (b) an application for leave to appeal against the decision has been made but not determined; or
- (c) in such circumstances as may be prescribed, an appeal against the decision has not been brought (or, as the case may be, an application for leave to appeal against the decision has not been made) but the time for doing so has not yet expired.

(7) In this section -

- (a) the reference in subsection (1)(a) above to an appeal to a Commissioner includes a reference to an application for leave to appeal to a Commissioner; and
- (b) *omitted*.

(8) Regulations may make provision supplementing that made by this section.

Cases of error

Restrictions on entitlement to benefit in certain cases of error.

27.(1) Subject to subsection (2) below, this section applies where -

- (a) the effect of the determination, whenever made, of an appeal to a Commissioner or the court ("the relevant determination") is that the adjudicating authority's decision out of which the appeal arose was erroneous in point of law; and
- (b) after the date of the relevant determination a decision falls to be made by *an adjudication officer* in accordance with that determination (or would, apart from this section, fall to be so made) -
 - (i) in relation to a claim for benefit;
 - (ii) as to whether to revise, under section 9 above, a decision as to a person's entitlement to benefit; or
 - (iii) on an application made under section 10 above for a decision as to a person's entitlement to benefit to be superseded.

(2) This section does not apply where the decision of *an adjudication officer* mentioned in subsection (1)(b) above -

- (a) is one which, but for section 25(2) or (3)(a) above, would have been made before the date of the relevant determination; or
- (b) is one made in pursuance of section 26(3) or (5) above.

(3) In so far as the decision relates to a person's entitlement to a benefit in respect of -

- (a) a period before the date of the relevant determination; or
- (b) in the case of a widow's payment, a death occurring before that date,

it shall be made as if the adjudicating authority's decision had been found by the Commissioner or court not to have been erroneous in point of law.

(4) In deciding whether a person is entitled to benefit in a case where his entitlement depends on his having been entitled to the same or some other benefit before attaining a particular age, subsection (3) above shall be disregarded for the purpose only of deciding whether he was so entitled before attaining that age.

(5) Subsection (1)(a) above shall be read as including a case where -

- (a) the effect of the relevant determination is that part or all of a purported regulation or order is invalid; and
- (b) the error of law made by the adjudicating authority was to act on the basis that the purported regulation or order (or the part held to be invalid) was valid.

(6) It is immaterial for the purposes of subsection (1) above -

- (a) where such a decision as is mentioned in paragraph (b)(i) falls to be made, whether the claim was made before or after the date of the relevant determination;
- (b) where such a decision as is mentioned in paragraph (b)(ii) or (iii) falls to be made on an application under section 9 or (as the case may be) 10 above, whether the application was made before or after that date.

(7) In this section

“adjudicating authority” means -

- (a) *an adjudication officer or appeal tribunal;*
- (b) any former officer, tribunal or body; or
- (c) *Omitted;*

“benefit” means -

- (a) benefit under Parts II to V of the Contributions and Benefits Act, other than Old Cases payments;
- (b) benefit under Part II of the Social Security Act 1975 (in respect of a period before 1st July 1992 but not before 6th April 1975);
- (c) benefit under the National Insurance (*Isle of Man*) Act 1948 or 1971, or the National Insurance (Industrial Injuries) (*Isle of Man*) Act 1948 or 1971 (*Acts of Tynwald*) (in respect of a period before 6th April 1975);
- (d) a jobseeker's allowance;
- (e) any benefit corresponding to a benefit mentioned in paragraphs (a) to (d) above; and
- (f) any income-related benefit;

“the court” means the High Court, *the Judicial Committee of the Privy Council or the Court of Justice of the European Community;*

“former officer, tribunal or body” means any of the following, that is to say -

- (a) an adjudication officer or, in the case of a decision given on a reference under section 21(2) or 25(1) of the Administration Act, a social security appeal tribunal or a disability appeal tribunal;

-
- (b) an adjudicating medical *officer or* practitioner appointed under section 47A of that Act, a *medical board appointed under section 49* of that Act or a *special medical board, or a* specially qualified adjudicating medical *officer or* practitioner appointed in accordance with regulations under section 62(2) of that Act; or
 - (c) *Omitted.*

(8) For the purposes of this section, any reference to entitlement to benefit includes a reference to entitlement -

- (a) to any increase in the rate of a benefit; or
- (b) to a benefit, or increase of benefit, at a particular rate.

(9) The date of the relevant determination shall, in prescribed cases, be determined for the purposes of this section in accordance with any regulations made for that purpose.

(10) Regulations made under subsection (9) above may include provision -

- (a) for a determination of the High Court to be treated as if it had been made on the date of a determination of a Commissioner; or
- (b) for a determination of a Commissioner to be treated as if it had been made on the date of a determination of the High Court.

Correction of errors and setting aside.

28.(1) Regulations may make provision with respect to -

- (a) the correction of accidental errors in any decision or record of a decision made under any relevant enactment; and
- (b) the setting aside of any such decision in a case where it appears just to set the decision aside on the ground that -
 - (i) a document relating to the proceedings in which the decision was given was not sent to, or was not received at an appropriate time by, a party to the proceedings or a party's representative or was not received at an appropriate time by the body or person who gave the decision; or
 - (ii) a party to the proceedings or a party's representative was not present at a hearing related to the proceedings.

(2) *Omitted.*

(3) In this section "relevant enactment" means any enactment contained in -

- (a) this Chapter;
- (b) the Contributions and Benefits Act;
- (c) the Pension Schemes Act 1993;
- (d) the Jobseekers Act; or
- (e) the Social Security (Recovery of Benefits) Act 1997.

*Industrial accidents***Decision that accident is an industrial accident.**

29. (1) Where, in connection with any claim for industrial injuries benefit, it is decided that the relevant accident was or was not an industrial accident -

- (a) an express declaration of that fact shall be made and recorded; and
- (b) subject to subsection (3) below, a claimant shall be entitled to have the issue whether the relevant accident was an industrial accident decided notwithstanding that his claim is disallowed on other grounds.

(2) Subject to subsection (3) and section 30 below, any person suffering personal injury by accident shall be entitled, if he claims the accident was an industrial accident -

- (a) to have that issue decided; and
- (b) to have a declaration made and recorded accordingly,

notwithstanding that no claim for benefit has been made in connection with which the issue arises and this Chapter shall apply for that purpose as if the issue had arisen in connection with a claim for benefit.

(3) *An adjudication officer*, an appeal tribunal or a Commissioner (as the case may be) may refuse to decide the issue whether an accident was an industrial accident if satisfied that it is unlikely to be necessary to decide the issue for the purposes of any claim for benefit and this Chapter shall apply as if any such refusal were a decision on the issue.

(4) Subject to sections 9 to 15 above, any declaration under this section that an accident was or was not an industrial accident shall be conclusive for the purposes of any claim for industrial injuries benefit in respect of that accident.

(5) Where subsection (4) above applies -

- (a) in relation to a death occurring before 11th April 1988; or
- (b) for the purposes of section 60(2) of the Contributions and Benefits Act,

it shall have effect as if at the end there were added the words "whether or not the claimant is the person at whose instance the declaration was made".

(6) For the purposes of this section (but subject to section 30 below), an accident whereby a person suffers personal injury shall be deemed, in relation to him, to be an industrial accident if -

- (a) it arises out of and in the course of his employment;
- (b) that employment is employed earner's employment for the purposes of Part V of the Contributions and Benefits Act; and
- (c) payment of benefit is not under section 94(5) of that Act precluded because the accident happened while he was outside *the Isle of Man*.

(7) A decision under this section shall be final except that sections 9 and 10 above apply to a decision under this section that an accident was or was not an industrial accident as they apply to a decision under section 8 above if, but only if, *an adjudication officer or appeal tribunal, as the case may be*, is satisfied that the decision under this section was given in consequence of any wilful non-disclosure or misrepresentation of a material fact.

Effect of decision.

30. (1) A decision (given under subsection (2) of section 29 above or otherwise) that an accident was an industrial accident is to be taken as determining only that paragraphs (a), (b) and (c) of subsection (6) of that section are satisfied in relation to the accident.

(2) Subject to subsections (3) and (4) below, no such decision is to be taken as importing a decision as to the origin of any injury or disability suffered by the claimant, whether or not there is an event identifiable as an accident apart from any injury that may have been received.

(3) A decision that, on a particular occasion when there was no event so identifiable, a person had an industrial accident by reason of an injury shall be treated as a decision that, if the injury was suffered by accident on that occasion, the accident was an industrial accident.

(4) A decision that an accident was an industrial accident may be given, and a declaration to that effect be made and recorded in accordance with section 29 above, without its having been found that personal injury resulted from the accident.

(5) Subsection (4) above has effect subject to the discretion under section 29(3) above to refuse to decide the issue if it is unlikely to be necessary for the purposes of a claim for benefit.

Other special cases.

Incapacity for work.

31.(1) Regulations may provide that a determination that a person is disqualified for any period in accordance with regulations under section 171E of the Contributions and Benefits Act shall have effect for such purposes as may be prescribed as a determination that he is to be treated as capable of work for that period, and vice versa.

(2) Provision may be made by regulations for matters of such descriptions as may be prescribed to be determined by *an adjudication officer*, notwithstanding that other matters fall to be determined by another authority.

(3) Nothing in this section shall be taken to prejudice the generality of the power conferred by section 17(2) above.

Industrial diseases.

32. Regulations shall provide for applying the provisions of this Chapter, subject to any prescribed additions or modifications, in relation to decisions made or falling to be made under sections 108 to 110 of the Contributions and Benefits Act.

Christmas Bonus.

33.(1) A decision by the *competent authority* that a person is entitled or not entitled to payment of a qualifying benefit in respect of a period which includes a day in the relevant week shall be conclusive for the purposes of section 148 of the Contributions and Benefits Act; *and in this subsection "competent authority" means, in relation to a payment of a qualifying benefit, an authority that ordinarily determines whether a person is entitled to such a payment.*

(2) In this section, expressions to which a meaning is assigned by section 150 of that Act have that meaning.

*Housing benefit and council tax benefit.***Determination of claims and reviews.**

34. *Omitted.*

Suspension of benefit in prescribed circumstances.

35. *Omitted.*

Social fund payments.

36. - 38. *Omitted.*

*Supplemental.***Interpretation of Chapter II.**

39.(1) In this Chapter -

“appeal tribunal” means an appeal tribunal constituted under Chapter I of this Part;

“Commissioner” means the Social Security Commissioner;

“relevant benefit” has the meaning given by section 8(3) above.

(2) Expressions used in this Chapter to which a meaning is assigned by section 191 of the Administration Act have that meaning in this Chapter.

(3) Part II of the Administration Act, which is superseded by the foregoing provisions of this Chapter, shall cease to have effect.

Chapter III**Other decisions and appeals.***Child support.*

40. - 47. *Omitted.*

Part II

Contributions

Amendments of Contributions and Benefits Act

Apportionment of payments etc. made for more than one earner.

48. After subsection (2) of section 3 of the Contributions and Benefits Act ("earnings" and "earner") there shall be inserted the following subsection -

"(2A) Regulations made for the purposes of subsection (2) above may provide that, where a payment is made or a benefit provided to or for the benefit of two or more earners, a proportion (determined in such manner as may be prescribed) of the amount or value of the payment or benefit shall be attributed to each earner."

Payments on account of directors' contributions.

49. After subsection (3) of section 3 of the Contributions and Benefits Act there shall be inserted the following subsections -

"(4) Subsection (5) below applies to regulations made for the purposes of subsection (2) above which make special provision with respect to the earnings periods of directors and former directors of companies.

(5) Regulations to which this subsection applies may make provision -

- (a) for enabling companies, and directors and former directors of companies, to pay on account of any earnings-related contributions that may become payable by them such amounts as would be payable by way of such contributions if the special provision had not been made; and
- (b) for requiring any payments made in accordance with the regulations to be treated, for prescribed purposes, as if they were the contributions on account of which they were made."

Payments treated as remuneration and earnings.

50.(1) For subsection (4) of section 4 of the Contributions and Benefits Act (payments treated as remuneration and earnings) there shall be substituted the following subsection -

"(4) For the purposes of section 3 above there shall be treated as remuneration derived from an employed earner's employment -

- (a) *omitted*;
- (b) any sum paid (or treated as paid) to or for the benefit of the earner which *would be* chargeable to tax, *if it were payable in the United Kingdom*, by virtue of section 313 (taxation of consideration for certain restrictive undertakings) of the Income and Corporation Taxes Act 1988 ("the 1988 Act")."

(2) *Omitted.*

(3) Subsection (1) above, so far as relating to a sum which *would be* chargeable to tax, *if it were payable in the United Kingdom*, by virtue of section 313 of the Income and Corporation Taxes Act 1988, shall have effect in relation to any undertaking given on or after 10th July 1997.

(4) *Omitted.*

Class 1 contributions.

51.(1) For subsection (1) of section 5 of the Contributions and Benefits Act (earnings limits for Class 1 contributions) there shall be substituted the following subsection -

“(1) For the purposes of this Act there shall for every tax year be -

- (a) a lower earnings limit (for primary Class 1 contributions);
- (b) an upper earnings limit (for primary Class 1 contributions); and
- (c) an earnings threshold (for secondary Class 1 contributions);

and those limits and that threshold shall be the amounts specified for that year by regulations which, in the case of those limits, shall be made in accordance with subsections (2) and (3) below.”

(2) For subsection (1) of section 6 of that Act (liability for Class 1 contributions) there shall be substituted the following subsection -

“(1) Where in any tax week earnings are paid to or for the benefit of an earner over the age of 16 in respect of any one employment of his which is employed earner's employment -

- (a) a primary Class 1 contribution shall be payable in accordance with this section and section 8 below if the amount paid exceeds the current lower earnings limit (or the prescribed equivalent in the case of earners paid otherwise than weekly); and
- (b) a secondary Class 1 contribution shall be payable in accordance with this section and section 9 below if the amount paid exceeds the current earnings threshold (or the prescribed equivalent in the case of earners paid otherwise than weekly).”

(3) For subsections (1) and (2) of section 8 of that Act (calculation of primary Class 1 contributions) there shall be substituted the following subsections -

“(1) Where a primary Class 1 contribution is payable, the amount of that contribution shall be the primary percentage of so much of the earner's earnings paid in the tax week, in respect of the employment in question, as -

- (a) exceeds the current lower earnings limit (or the prescribed equivalent); and
- (b) does not exceed the current upper earnings limit (or the prescribed equivalent);

but this subsection is subject to regulations under section 6(5) above and sections 116 to 120 below and to section 41 of the Pensions Act (reduced rates of Class 1 contributions for earners in contracted-out employment).

(2) For the purposes of this Act the primary percentage shall be 10 per cent but the percentage is subject to alteration under sections 143 and 145 of the Administration Act.”

(4) For section 9 of that Act there shall be substituted the following section -

“Calculation of secondary class 1 contributions.

9.(1) Where a secondary Class 1 contribution is payable, the amount of that contribution shall be the secondary percentage of so much of the earnings paid in the tax week, in respect of the employment in question, as exceeds the current earnings threshold (or the prescribed equivalent).

(2) For the purposes of subsection (1) above, the secondary percentage shall be 12.2 per cent but the percentage is subject to alteration under sections 143 and 145 of the Administration Act.

(3) Subsection (1) above is subject to regulations under section 6(5) above and sections 116 to 120 below and to section 41 of the Pensions Act.”

Class 1A contributions.

52. *Omitted*

Class 1B contributions.

53. *Omitted*

Contributions paid in error.

54. After section 19 of the Contributions and Benefits Act there shall be inserted the following section -

“Class 1 contributions paid in error.

19A.(1) This section applies where -

- (a) payments by way of Class 1 contributions are made in respect of earnings paid to or for the benefit of an earner (or in respect of a benefit made available to an earner) in 1998-99 or a subsequent tax year (“year 1”);
- (b) the payments are made in error, in that the employment from which the earnings are derived (or by reason of which the benefit is made available) is not employed earner's employment; and
- (c) the person making the payments has not been notified of the error by the *Department* before the end of the tax year following year 1 (“year 2”).

(2) After the end of year 2 the earner shall, except in such circumstances as may be prescribed, be treated for all purposes relating to -

- (a) contributions and contributory benefits; and
- (b) *Omitted,*

as if the earnings were derived from (or the benefit were made available by reason of) employed earner's employment.”

Recovery of primary class 1 contributions by secondary contributors.

55. In paragraph 3 of Schedule 1 to the Contributions and Benefits Act (supplementary provisions as to contributions) -

- (a) in sub-paragraph (3), for the words from “and notwithstanding” to “any enactment” there shall be substituted the words “and, subject to sub-paragraph (4) below but notwithstanding any other provision in any enactment”;

(b) after that sub-paragraph there shall be inserted the following sub-paragraphs -

“(4) Sub-paragraph (5) below applies in a case where -

- (a) a person (“the employee”) ceases in a particular tax year (“the cessation year”) to be employed by a particular employer (“the employer”); and
- (b) the employee receives from the employer in the cessation year, after the cessation of the employment, earnings in a form other than money (“non-monetary earnings”).

(5) If and to the extent that regulations so provide, the employer may recover from the employee in such manner as may be prescribed any primary Class 1 contributions paid or to be paid by him on the employee's behalf in respect of -

- (a) the non-monetary earnings mentioned in sub-paragraph (4) above; or
- (b) any non-monetary earnings received by the employee from the employer in the cessation year before the cessation of the employment,

which he was unable to recover by deduction from the employee's earnings.”

Contributions returns.

56. Omitted

Collection of contributions by the Department.

57. After paragraph 7 of Schedule 1 to the Contributions and Benefits Act there shall be inserted the following paragraph -

“**Collection of contributions by the Department.**

7B.(1) Regulations may provide that, in such cases or circumstances as may be prescribed -

- (a) contributions payable under Part I of this Act shall be paid to the **Department** (and not to the **Treasury**); and
- (b) the **Department** shall be responsible for the collection of such contributions, and generally for the relevant administration.

(2) Regulations under this paragraph may, in particular -

- (a) provide for returns to be made to the **Department** by such date as may be prescribed;
- (b) prescribe the form in which returns are to be made, or provide for returns to be made in such form as the **Department** may approve;
- (c) prescribe the manner in which contributions are to be paid, or provide for contributions to be paid in such manner as the **Department** may approve;
- (d) prescribe the due date for the payment of contributions;
- (e) subject to sub-paragraph (4) below, provide for interest to be charged by the **Department** on contributions that are not paid by the due date, and for enabling such interest to be remitted or repaid;
- (f) provide for interest to be paid on contributions that fall to be repaid;

- (g) provide for determining the date from which interest to be charged or paid pursuant to regulations under paragraph (e) or (f) above is to be calculated;
- (h) provide for penalties to be imposed in respect of a person who -
 - (i) fails to submit, within the time allowed, a return required to be made in accordance with regulations under paragraph (a) above;
 - (ii) in making such a return, fraudulently or negligently fails to provide any information or computation that he is required to provide;
 - (iii) in making such a return, fraudulently or negligently provides any incorrect information or computation; or
 - (iv) fails to pay Class 2 contributions by the due date;
- (i) provide for a penalty imposed pursuant to regulations under paragraph (h) above to carry interest from the date on which it becomes payable until payment.

(3) Where -

- (a) a decision relating to contributions falls to be made under section *7A, 7B or 7C* of the Social Security Act 1998; and
- (b) the decision will affect a person's liability for, or the amount of, any interest due in respect of those contributions,

regulations under sub-paragraph (2)(e) above shall not require any such interest to be paid until the decision has been made.

(4) Regulations under sub-paragraph (2)(e) above may provide that, in such cases or circumstances as may be prescribed, interest under those regulations may be charged by the *Treasury* (instead of the *Department*) as if the regulations were made by virtue of paragraph 6 above.

(5) Regulations under sub-paragraph (2)(h) above shall -

- (a) prescribe the rates of penalty, or provide for how they are to be ascertained;
- (b) subject to sub-paragraph (6) below, provide for the penalty to be imposed by the *Department* -
 - (i) within six years after the date on which the penalty is incurred; or
 - (ii) where the amount of the penalty is to be ascertained by reference to the amount of any contributions payable, at any later time within three years after the final determination of the amount of those contributions;
- (c) provide for determining the date on which, for the purposes of paragraph (b) above, the penalty is incurred;
- (d) prescribe the means by which the penalty is to be enforced; and
- (e) provide for enabling the *Department*, in *its* discretion, to mitigate or to remit the penalty, or to stay or to compound any proceedings for it.

(6) Regulations under sub-paragraph (2)(h)(ii) or (iii) above may provide that, in such cases or circumstances as may be prescribed, penalties under those regulations may be imposed by the *Treasury* (instead of the *Department*) as if the return in question were a contributions return within the meaning of paragraph 7 above.

(7) Section 12 above shall not apply in relation to Class 2 contributions in respect of which the *Department* charges interest or imposes a penalty pursuant to regulations under paragraph (e) or (h) of sub-paragraph (2) above.

(8) Interest or penalties may be charged by virtue of regulations under this paragraph in respect of a period before the coming into force of section 57 of the Social Security Act 1998 but only to the extent that interest or penalties would have been chargeable if the contributions in question had been recoverable, in respect of that period, by virtue of regulations under paragraph 6 above.

(9) Any reference to contributions in sub-paragraph (1) above shall be construed as including a reference to any interest or penalty payable, in respect of contributions, by virtue of regulations under paragraph (e) or (h) of sub-paragraph (2) above.

(10) The rate of interest applicable for any purpose of this paragraph shall be the rate from time to time prescribed.

Interest and penalties chargeable concurrently with Inland Revenue.

58. *Omitted*

Levy of class 4 contributions with income tax.

59. *Omitted*

Amendments of Administration Act.

Breach of regulations.

60. *Omitted*

Offences and penalties relating to contributions.

61. *Omitted*

Evidence of non-payment.

62.(1) For subsection (1) of section 118 of the Administration Act (evidence of non-payment) there shall be substituted the following subsections -

“(1) A certificate of an authorised officer that any amount by way of contributions, or by way of interest or penalty in respect of contributions, which a person is liable to pay to the *Department* for any period has not been paid -

(a) to the officer; or

(b) to the best of his knowledge and belief, to any other person to whom it might lawfully be paid,

shall until the contrary is proved be sufficient evidence in any proceedings before any court that the sum mentioned in the certificate is unpaid and due.

(1A) Subsection (2) below applies with respect to any period during which, under regulations made by virtue of paragraph 6(1) of Schedule 1 to the Contributions and Benefits Act (deduction with *income tax instalments*), contributions fall to be paid in like manner as income tax.”

(2) In subsection (3) of that section, after the words “such a certificate”, in the first place where they occur, there shall be inserted the words “as is mentioned in subsection (1) or (2) above”.

(3) In subsection (4) of that section, the words “for a particular contribution card or”, and the words “the card in question or”, shall cease to have effect.

(4) After subsection (6) of that section there shall be inserted the following subsection -

“(7) In this section “authorised officer” means -

- (a) *an officer authorised by the Department; or*
- (b) *the Assessor of Income Tax; or*
- (c) *an officer authorised by the Assessor of Income Tax,*

for the purposes of this section.”

Recovery of contributions.

63. - 65. *Omitted*

Payments of certain contributions out of the *Manx National Insurance Fund*.

66.(1) Subsection (4) of section 163 of the Administration Act (general financial arrangements) shall have effect, and shall be deemed always to have had effect, as if -

- (a) for the words “a secondary contributor” there were substituted the words “any person”; and
- (b) *Omitted.*

(2) Subsection (2) of section 1 of the Social Security (Miscellaneous Provisions) Act 1977 (from which subsection (4) of section 163 is derived) shall be deemed to have had effect with the same amendments as from the commencement of the Social Security (Contributions) Act 1991.

Part III

Benefits

Amendments etc. of Contributions and Benefits Act

Daily rate of maternity allowance.

67. In subsection (5) of section 35 of the Contributions and Benefits Act (maternity allowance), for paragraphs (a) and (b) there shall be substituted the words "the amount payable by way of that allowance for any day shall be taken as one seventh of the weekly rate of the allowance".

Rates of short-term incapacity benefit.

68. For subsection (4) of section 44 of the Contributions and Benefits Act (Category A retirement pension) there shall be substituted the following subsection -

"(4) The weekly rate of the basic pension shall be **66.75** except that, so far as the sum is relevant for the purpose of calculating the lower rate of short-term incapacity benefit under section 30B(3) above, it shall be **64.05**.

In this subsection "the lower rate" means the rate payable for the first 196 days of entitlement in any period of incapacity for work."

69. - 71. *Omitted.*

Power to reduce child benefit for lone parents.

72.(1) Regulations may revoke any provision of regulations which prescribes a higher rate of child benefit in the case of a lone parent, notwithstanding anything in section 145(4) of the Contributions and Benefits Act (which precludes regulations from prescribing a rate lower than the rate it replaces).

(2) In this section "lone parent" means a parent who -

- (a) has no spouse or is not living with his spouse; and
- (b) is not living with any other person as his spouse.

Statutory sick pay not precluded by maternity allowance

73. *Omitted*

Amendments of Administration Act.

Provision of information.

74. In subsection (1) of section 5 of the Administration Act (regulations about claims for and payments of benefit), there shall be inserted after paragraph (h) the following paragraph -

"(hh) for requiring such person as may be prescribed in accordance with the regulations to furnish any information or evidence needed for a determination whether a decision on an award of benefit to which this section applies -

- (i) should be revised under section 9 of the Social Security Act 1998; or
- (ii) should be superseded under section 10 of that Act."

Overpayments out of social fund.

75. Omitted.

Power to anticipate pensions up-rating order.

76. Omitted.

Part IV**Miscellaneous and Supplemental.****Pilot schemes.**

77. *Omitted*

Expenditure for facilitating transfer of functions.

78. *Omitted*

Regulations and orders.

79. *Any Order or Regulation made under this Act shall not have effect unless it is approved by Tynwald.*

Parliamentary control of Regulations.

80. *Omitted*

Reports by Secretary of State.

81. *Omitted*

Financial provisions.

82.(1) There shall be paid out of money provided by *Tynwald* -

- (a) any expenditure incurred by the *Department* under or by virtue of this Act; and
- (b) any increase attributable to this Act in the sums which under any other Act are payable out of money so provided.

(2) There shall be paid out of or into the *Manx National Insurance Fund* any increase attributable to this Act in the sums which under any other Act are payable out of or into that Fund.

Transitory provisions.

83. *Omitted.*

Interpretation : general.

84. In this Act -

“the Administration Act” means the Social Security Administration Act 1992;

“the Contributions and Benefits Act” means the Social Security Contributions and Benefits Act 1992;

“the Jobseekers Act” means the Jobseekers Act 1995;

“prescribe” means prescribe by regulations;

Provisions for Northern Ireland.

85. *Omitted.*

Minor and consequential amendments and repeals.

86.(1) The enactments mentioned in Schedule 7 to this Act shall have effect subject to the amendments there specified, being minor amendments and amendments consequential on the provisions of this Act.

(2) The enactments mentioned in Schedule 8 to this Act, which include some that are spent, are hereby repealed to the extent specified in the third column of that Schedule.

Short title, commencement and extent.

87.(1) This Act may be cited as the Social Security Act 1998.

SCHEDULE 1

Appeal tribunals : supplementary provisions

Tenure of office

1. *Omitted.*

Remuneration etc.

2. *Omitted.*

3. *The Department shall be required to pay -*

- (a) *to any person appointed under this Act as an expert to any tribunal constituted under the Act, such remuneration and such travelling and other allowances;*
- (b) *to any person required to attend at any proceedings or inquiry, such travelling and other allowances; and*
- (c) *such other expenses in connection with the work of any person, or inquiry appointed or constituted under any provision of the Act,*

as the Treasury may determine.

4. -

- (1) *The Department may pay to persons required under this Act (whether for the purposes of this Act or otherwise) to attend for, or to submit themselves to, a medical or other examination or treatment such travelling and other allowances as the Department may, with the consent of the Treasury, determine.*
- (2) *In this paragraph references to travelling and other allowances include references to compensation for loss of remunerative time but such compensation shall not be paid to any person in respect of any time during which he is in receipt of remuneration under paragraph 3 above.*

5. -

- (1) *Subject to sub-paragraph (2) below, the Department may pay such other expenses in connection with the work of any person, tribunal appointed or constituted under any provision of this Part as it may determine.*
- (2) *Expenses are not payable under sub-paragraph (1) above in connection with the work of a tribunal presided over by a Social Security Commissioner.*

Officers and staff

6. *Omitted.*

Functions of a Chairman

7. *The Chairman shall ensure that appropriate steps are taken by an appeal tribunal to secure the confidentiality, in such circumstances as may be prescribed, of any prescribed material or any prescribed classes or categories of material.*

8. - 9. *Omitted.*

Clerks of tribunals and other administrative arrangements

11. -

(1) *The Civil Service Commission shall assign a clerk to service the appeal tribunals.*

(2) *It shall be the duty of the clerk of the tribunal to summon to serve on a tribunal -*

(a) *a tribunal chairman from the panel constituted under section 5 above; and*

(b) *tribunal members from the panel constituted under section 6 above.*

(3) *It shall be the duty of the Department -*

(a) *to arrange -*

(i) *such meetings of chairmen and members of appeal tribunals; and*

(ii) *such training for such chairmen and members,*

as it considers appropriate; and

(b) *to secure that such works of reference relating to social security law as it considers appropriate are available for the use of chairmen and members of appeal tribunals.*

Delegation of certain functions of appeal tribunals

12. -

(1) The *Department* may by regulations provide -

(a) for officers authorised by the *Department* to make any determinations which fall to be made by an appeal tribunal and which do not involve the determination of any appeal, application for leave to appeal or reference;

(b) for the procedure to be followed by such officers in making such determinations;

(c) for the manner in which such determinations by such officers may be called in question.

(2) A determination which would have the effect of preventing an appeal, application for leave to appeal or reference being determined by an appeal tribunal is not a determination of the appeal, application or reference for the purposes of sub-paragraph (1) above.

Certificates

13. A document bearing a certificate which -

(a) is signed by a person authorised in that behalf by the *Department*; and

(b) states that the document, apart from the certificate, is a record of a decision of an appeal tribunal, an *adjudication officer, or the Department*,

shall be conclusive evidence of the decision and a certificate purporting to be so signed shall be deemed to be so signed unless the contrary is proved.

SCHEDULE 2

Decisions against which no appeal lies

Jobseeker's allowance for persons under 18

1. In relation to a person who has reached the age of 16 but not the age of 18, a decision -
 - (a) whether section 16 of the Jobseekers Act is to apply to him; or
 - (b) whether to issue a certificate under section 17(4) of that Act.

Christmas bonus

2. A decision whether a person is entitled to payment under section 148 of the Contributions and Benefits Act.

Priority between persons entitled to invalid care allowance

3. A decision as to the exercise of the discretion under section 70(7) of the Contributions and Benefits Act.

Priority between persons entitled to child benefit

4. A decision as to the exercise of the discretion under paragraph 5 of Schedule 10 to the Contributions and Benefits Act.

Persons treated as if present in the Isle of Man

5. A decision whether to certify, in accordance with regulations made under section 64(1), 71(6), 113(1) or 119 of the Contributions and Benefits Act, that it is consistent with the proper administration of that Act to treat a person as though he were present in *the Isle of Man*.

Alteration of rates of benefit

6. A decision as to the amount of benefit to which a person is entitled, where it appears to the *Department* that the amount is determined by -
 - (a) the rate of benefit provided for by law; or
 - (b) an alteration of a kind referred to in -
 - (i) section 159(1)(b) of the Administration Act (income support); or
 - (ii) section 159A(1)(b) of that Act (jobseeker's allowance).

Increases in income support due to attainment of particular ages

7. A decision as to the amount of benefit to which a person is entitled, where it appears to the *Department* that the amount is determined by the recipient's entitlement to an increased amount of income support or income-based jobseeker's allowance in the circumstances referred to in section 160(2) or 160A(2) of the Administration Act.

Reduction in accordance with reduced benefit direction

8. *Omitted.*

Power to prescribe other decisions

9. Such other decisions as may be prescribed.

SCHEDULE 3**Decisions against which an appeal lies****Part I****Benefit decisions***Entitlement to benefit without a claim*

1. In such cases or circumstances as may be prescribed, a decision whether a person is entitled to a relevant benefit for which no claim is required.
2. If so, a decision as to the amount to which he is entitled.

Payability of benefit

3. A decision whether a relevant benefit (or a component of a relevant benefit) to which a person is entitled is not payable by reason of -
 - (a) any provision of the Contributions and Benefits Act by which the person is disqualified for receiving benefit;
 - (b) regulations made under section 72(8) of that Act (disability living allowance);
 - (c) regulations made under section 113(2) of that Act (suspension of payment); or
 - (d) section 19 of the Jobseekers Act (jobseeker's allowance).

Payments to third parties

4. Except in such cases or circumstances as may be prescribed, a decision whether the whole or part of a benefit to which a person is entitled is, by virtue of regulations, to be paid to a person other than him.

Recovery of benefits

5. A decision whether payment is recoverable under section 71 or 71A of the Administration Act.
6. If so, a decision as to the amount of payment recoverable.

Industrial injuries benefit

7. A decision whether an accident was an industrial accident for the purposes of industrial injuries benefit.

Jobseekers' agreements

8. A decision in relation to a jobseeker's agreement as proposed to be made under section 9 of the Jobseekers Act, or as proposed to be varied under section 10 of that Act.

Power to prescribe other decisions

9. Such other decisions relating to a relevant benefit as may be prescribed.

Part II**Contributions decisions***Categorisation of earners*

10. - 21. *Omitted.*

Liability of directors etc. for company's contributions

22. Subject to the provisions of section 121D of the Administration Act, a decision as to the issue and content of a notice under section 121C(2) of that Act.

23. - 28. *Omitted.*

Power to prescribe other decisions

29. Such other decisions relating to contributions as may be prescribed.

SCHEDULE 4

Social Security Commissioners

Appointment

1. -

(1) *The Governor* may from time to time appoint, from among persons who *are barristers, solicitors or advocates of not less than 10 years standing* -

(a) a Social Security Commissioner; and

(b) *if the Governor thinks fit, a Deputy Social Security Commissioner.*

(2) *If the Governor considers that, in order to facilitate the disposal of the business of Social Security Commissioners, he should make an appointment in pursuance of this sub-paragraph, he may appoint a barrister, advocate or solicitor of not less than ten years standing to be a Social Security Commissioner (but to be known as an Assistant Social Security Commissioner) for such period or on such occasions as the Governor thinks fit.*

(3) *Omitted.*

Remuneration etc.

2. The *Department* shall pay to a Commissioner (*other than the High Bailiff*) such salary or other remuneration, and such expenses incurred in connection with the work of a Commissioner or any tribunal presided over by a Commissioner, as may be determined *by the Treasury.*

3. -

(1) The *Department* may pay to any person who attends any proceedings under section 14 of this Act such travelling and other allowances as *it* may determine.

(2) In this paragraph the reference to travelling and other allowances includes a reference to compensation for loss of remunerative time.

Tenure of office

4. -

(1) *Subject to the following provisions of this paragraph, a Commissioner shall vacate his office on the day on which he attains the age of 72.*

(2) *Where the Governor considers it desirable in the public interest to retain a Commissioner in office after the time at which he would be required by the preceding sub-paragraph to vacate it, the Governor may from time to time authorise the continuance of the Commissioner in office until any date not later than that on which the Commissioner attains the age of 75.*

(3) *Subject to paragraph 1(2) above, a person who holds office as a Commissioner shall not practice as a barrister or advocate or act for any remuneration to himself as arbitrator, arbiter or referee or be directly or indirectly concerned in any matter as a conveyancer, notary public, solicitor or advocate.*

5. -

(1) A Commissioner may be removed from office by the *Governor* on the ground of incapacity or misbehaviour.

(2) *Omitted.*

Delegation of functions

6. *Omitted.*

Certificates

7. A document bearing a certificate which -

(a) is signed by a person authorised in that behalf by the *Department*; and

(b) states that the document, apart from the certificate, is a record of a decision of a Commissioner,

shall be conclusive evidence of the decision and a certificate purporting to be so signed shall be deemed to be so signed unless the contrary is proved.

Supplemental

8. Where the *Governor* proposes to exercise a power conferred on him by paragraph 1(2) or 5(1) above, it shall be his duty to consult the *Attorney General* with respect to the proposal.

SCHEDULE 5**Regulations as to procedure: provision which may be made**

1. Provision prescribing the procedure to be followed in connection with -
 - (a) the making of decisions or determinations by *the Department, an adjudication officer, an appeal tribunal or a Commissioner*; and
 - (b) the withdrawal of claims, applications, appeals or references falling to be decided or determined by *the Department, an adjudication officer, an appeal tribunal or a Commissioner*.
2. Provision as to the striking out or reinstatement of proceedings.
3. Provision as to the form which is to be used for any document, the evidence which is to be required and the circumstances in which any official record or certificate is to be sufficient or conclusive evidence.
4. Provision as to the time within which, or the manner in which -
 - (a) any evidence is to be produced; or
 - (b) any application, reference or appeal is to be made.
5. Provision for summoning persons to attend and give evidence or produce documents and for authorising the administration of oaths to witnesses.
6. Provision with respect to the procedure to be followed on appeals to and in other proceedings before appeal tribunals.
7. *Omitted.*
8. Provision for empowering *the Chairman of* an appeal tribunal to give directions for the disposal of any purported appeal which *he* is satisfied that *the tribunal* does not have jurisdiction to entertain.
9. Provision for the non-disclosure to a person of the particulars of any medical advice or medical evidence given or submitted for the purposes of a determination.

SCHEDULE 6**Transitory provisions**

Omitted.

SCHEDULE 7
Minor and consequential amendments

1. - 58. *Omitted.*

59. After subsection (3) of section 14 of *the Contributions and Benefits Act* (restriction on right to pay Class 3 contributions) there shall be inserted the following subsection -

“(4) Where primary Class 1 contributions have been paid or treated as paid on any part of a person's earnings, subsection (1)(a) above shall have effect as if such contributions had been paid or treated as paid on so much of those earnings as did not exceed the upper earnings limit.”

60. After subsection (5) of section 21 of that Act (contribution conditions) there shall be inserted the following subsection -

“(5A) Where primary Class 1 contributions have been paid or treated as paid on any part of a person's earnings, the following provisions, namely -

- (a) subsection (5)(c) above;
- (b) sections 22(1)(a) and (3)(a), 23(3)(a), 24(2)(a), 44(6)(a) and 45A(1)(a) below; and
- (c) paragraphs 2(4)(a) and (5)(a), 4(2)(a), 5(2)(b) and (4)(a) and 7(4)(a) of Schedule 3 to this Act,

shall have effect as if such contributions had been paid or treated as paid on so much of the earnings as did not exceed the upper earnings limit.”

61. In subsection (4) of section 22 of that Act (earnings factors), for the words “upon which” there shall be substituted the words “in respect of which”.

62. In subsection (2) of section 54 of that Act (Category A and Category B retirement pensions: supplemental provisions), for the words “Part II of the Administration Act” there shall be substituted the words “Chapter II of Part I of the Social Security Act 1998”.

63. In subsection (5)(c) of section 95 of that Act (relevant employments), after the words “the Administration Act” there shall be inserted the words “, or Chapter II of Part I of the Social Security Act 1998,”.

64. In subsection (1)(b) of section 97 of that Act (accidents in the course of illegal employments), for the words “section 44 of the Administration Act” there shall be substituted the words “section 29 of the Social Security Act 1998”.

65. In subsection (2) of section 109 of that Act (general provisions relating to benefit under section 108) -

- (a) in paragraph (a), for the words “or the Administration Act” there shall be substituted the words “, the Administration Act or Chapter II of Part I of the Social Security Act 1998”;
- (b) in paragraph (b), for the words “and that Act” there shall be substituted the words “, that Act and that Chapter”;
- (c) for the words “the Administration Act”, in the second place where they occur, there shall be substituted the words “that Act and that Chapter”; and
- (d) after the words “section 1” there shall be inserted the words “of that Act”.

66. In subsection (3) of section 113 of that Act (general provisions as to disqualification and suspension), for the words “or the Administration Act” there shall be substituted the words “, the Administration Act or Chapter II of Part I of the Social Security Act 1998”.

67. In section 116 of that Act (Her Majesty's forces), for the words “the Administration Act” there shall be substituted the words “the Social Security Act 1998”.

68. In subsection (1) of section 117 of that Act (mariners, airmen etc.), for the words "provision of Part II of the Administration Act which replaces" there shall be substituted the words "provisions of Chapter II of Part I of the Social Security Act 1998 which correspond to".
69. In section 119 of that Act (persons outside *the Isle of Man*), for the words "provision of Part II of the Administration Act which replaces" there shall be substituted the words "provisions of Chapter II of Part I of the Social Security Act 1998 which correspond to".
70. *Omitted.*
71. In subsection (1) of section 122 of that Act (interpretation of Parts I to VI and supplementary provisions) -
- (a) in the definition of "entitled", for the words "and 68 of the Administration Act" there shall be substituted the words "of the Administration Act and section 27 of the Social Security Act 1998";
 - (b) the definitions of "initial primary percentage" and "main primary percentage" shall cease to have effect;
 - (c) for the definitions of "lower earnings limit" and "upper earnings limit" there shall be substituted the following definitions -

"lower earnings limit", "upper earnings limit" and "earnings threshold" are to be construed in accordance with subsection (1) of section 5 above, and references to the lower or upper earnings limit, or to the earnings threshold, of a tax year are to whatever is (or was) for that year the limit or threshold in force under that subsection;";
 - (d) *Omitted.*
 - (e) in the definition of "primary percentage", for the words "section 8(1) and (2)" there shall be substituted the words "section 8(2)".
72. -
- (1) *In* subsection (1) of section 139 of that Act (Awards by Social Fund Officers), *for the words "a social fund officer" there shall be substituted the words "an adjudication officer"*.
 - (2) In subsection (2) of that section, for the words "A social fund officer" there shall be substituted the words "An *adjudication* officer".
 - (3) - (4) *Omitted.*
 - (5) In subsection (5) of that section, for the words "the social fund officer" there shall be substituted the words "the *adjudication* officer".
73. -
- (1) In subsection (1) of section 140 of that Act (principles of determination), for the words "a social fund officer" there shall be substituted the words "an *adjudication* officer".
 - (2) In subsection (2) of that section, for the words "A social fund officer" there shall be substituted the words "An *adjudication* officer".
 - (3) - (5) *Omitted.*
74. *Omitted.*
75. In subsection (1) of section 171 of that Act (interpretation of Part XII), in the definition of "employer", after the words "but for" there shall be inserted the words "the condition in".
76. In subsection (2) of section 171E of that Act (incapacity for work: disqualification etc.), for the words "Part II of the Administration Act" there shall be substituted the words "Chapter II of Part I of the Social Security Act 1998".

77. -

(1) *Omitted.*

(2) For sub-paragraph (2) of paragraph 1 of Schedule 1 to that Act there shall be substituted the following sub-paragraph -

“(2) Where earnings in respect of employments which include any contracted-out employment and any employment which is not a contracted-out employment are aggregated under sub-paragraph (1) above, then, except as may be provided by regulations -

(a) if the aggregated earnings exceed the current lower earnings limit, the amount of the primary Class 1 contribution in respect of the aggregated earnings shall be determined in accordance with sub-paragraph (3) below; and

(b) if the aggregated earnings exceed the current earnings threshold, the amount of the secondary Class 1 contribution in respect of the aggregated earnings shall be determined in accordance with sub-paragraph (6) below.”

(3) In sub-paragraph (3) of that paragraph, immediately before the words “does not exceed”, in each place where they occur, there shall be inserted the words “exceeds the current lower earnings limit and”.

(4) In sub-paragraph (6) of that paragraph -

(a) in paragraph (a), for the words “the APPS earnings” there shall be substituted the words “such part of the APPS earnings as exceeds the earnings threshold”;

(b) in paragraphs (b) and (c), for the words “the part of the aggregated earnings attributable to such service” there shall be substituted the words “such part of the aggregated earnings attributable to such service as exceeds the earnings threshold”; and

(c) in paragraph (d), for the words “the remainder of the aggregated earnings” there shall be substituted the words “such part of the remainder of the aggregated earnings as exceeds the earnings threshold”.

(5) In sub-paragraph (1) of paragraph 3 of that Schedule, for the words “his own secondary contribution” there shall be substituted the words “any secondary contribution of his own”.

(6) - (9) *Omitted.*

(10) For sub-paragraph (4) of paragraph 6 of that Schedule there shall be substituted the following paragraph -

“(4) Where -

(a) a decision relating to contributions falls to be made under section 7A, 7B or 7C of the Social Security Act 1998; and

(b) the decision will affect a person’s liability for, or the amount of, any interest due in respect of those contributions,

regulations under this paragraph shall not require any such interest to be paid until the decision has been made.”

(11) - (16) *Omitted.*

Social Security Administration Act 1992 (c.5)

78. In subsection (2) of section 3 of the Administration Act (late claims for widowhood benefit where death is difficult to establish) -

(a) for paragraph (a) there shall be substituted the following paragraph -

“(a) in any case falling within paragraph (b)(i) of subsection (1) above, where it has been decided under section 8 of the Social Security Act 1998 that the husband has died or is presumed to have died; or”; and

(b) for the word “determination” there shall be substituted the word “decision”.

79.(1) In subsection (1) of section 5 of that Act (regulations about claims for and payments of benefit) -

(a) for paragraph (e) there shall be substituted the following paragraph -

“(e) for any such award to be revised under section 9 of the Social Security Act 1998, or superseded under section 10 of that Act, if any of those requirements are found not to have been satisfied;”; and

(b) paragraphs (n) and (o) shall cease to have effect.

(2) *Omitted.*

80. *Omitted.*

81. -

(1) In subsection (2) of section 71 of that Act (overpayments: general), after the word “shall” there shall be inserted the words “in the case of *an adjudication officer* or a tribunal, and may in the case of a Commissioner or a court”.

(2) In subsection (5) of that section -

(a) in paragraph (a), for the words “revised on a review” there shall be substituted the words “has been revised under section 9 or superseded under section 10 of the Social Security Act 1998”; and

(b) in paragraph (b), for the word “review” there shall be substituted the words “under that section”.

(3) In subsection (5A) of that section, for the words “revised on a review” there shall be substituted the words “has been revised under section 9 or superseded under section 10 of the Social Security Act 1998”.

(4) *In subsection (11)(e) of that section, for the words “138(1)(a)” there shall be substituted the words “138(1)(a) or (b)”.*

82. - 83. *Omitted.*

84. For section 117 of that Act there shall be substituted the following section -

“Issues arising in proceedings.

117.(1) This section applies to proceedings before a court -

- (a) for an offence under this Act or the Jobseekers Act 1995; or
- (b) involving any question as to the payment of contributions (other than a Class 4 contribution recoverable by the *Assessor of Income Tax*); or
- (c) or the recovery of any sums due to the *Department* or the *Manx* National Insurance Fund.

(2) A decision of the *Department* which -

- (a) falls within *7A(1)* of the Social Security Act 1998 (“the 1998 Act”); and
- (b) relates to or affects an issue arising in the proceedings,

shall be conclusive for the purposes of the proceedings.

(3) If -

- (a) any such decision is necessary for the determination of the proceedings; and
- (b) the decision of the *Department* has not been obtained or an application with respect to the decision has been made under section 7C of the 1998 Act,

the decision shall be referred to the *Department* to be made in accordance (subject to any necessary modifications) with Chapter II of Part I of that Act.

(4) Subsection (2) above does not apply where, in relation to the decision -

- (a) an appeal *under section 7B of the 1998 Act* has been brought but not determined;
- (b) an application for leave to appeal *under section 7B of the 1998 Act* has been made but not determined;
- (c) an appeal has not been brought (or, as the case may be, an application for leave to appeal has not been made) but the time for doing so has not yet expired; or
- (d) an application has been made under section 7C of the 1998 Act.

(5) In a case falling within subsection (4) above the court shall adjourn the proceedings until such time as the final decision is known; and that decision shall be conclusive for the purposes of the proceedings."

85. Subsection (2) of section 119 of that Act (recovery of unpaid contributions on prosecution) shall cease to have effect.

86. -

(1) In subsection (1) of section 120 of that Act (proof of previous offences), the words "or (2)(a)" shall cease to have effect.

(2) In subsection (3) of that section -

- (a) *Omitted*; and
- (b) for the words "2 years" there shall be substituted the words "6 years".

(3) - (4) *Omitted*.

(5) In subsection (5) of that section -

- (a) paragraph (b) and the word "or" immediately preceding that paragraph shall cease to have effect; and
- (b) for the words "2 years" there shall be substituted the words "6 years".

(6) *Omitted*.

87. In subsection (2) of section 121 of that Act (unpaid contributions: supplementary), the words "or (2)(a)" shall cease to have effect.

88. *Omitted*.

89. In subsection (1) of section 125 of that Act (regulations as to notification of deaths), after the words "the Social Security (Recovery of Benefits) Act 1997" there shall be inserted the words ", the Social Security Act 1998".

90. - 98. *Omitted*.

99. -

- (1) After subsection (2) of section 162 of that Act (destination of contributions) there shall be inserted the following subsection -

“(2A) References in subsections (1) and (2) above to contributions include references to payments on account of contributions made in accordance with regulations under section 3(5) of the Contributions and Benefits Act (payments on account of directors' contributions).”

- (2) After subsection (4) of that section there shall be inserted the following subsection -

“(4A) The sums recovered by the *Department* under regulations made under paragraph 7B of Schedule 1 to the Contributions and Benefits Act in respect of interest or penalties shall be paid into the National Insurance Fund.”

- (3) In subsection (5)(b) of that section, for the words “those contributions” there shall be substituted the words “primary Class 1 contributions”.

- (4) *Omitted.*

100. *Omitted.*

101. In section 164 of that Act (destination of payments etc.), subsection (5)(a) shall cease to have effect.

102. -

- (1) In subsection (1) of section 166 of that Act (financial review and report), in paragraph (d), for the words “so far as it relates” there shall be substituted the words “and Chapter II of Part I of the Social Security Act 1998 so far as they relate”.

- (2) In subsection (2) of that section, in paragraph (c), for the words “so far as it relates” there shall be substituted the words “and Chapter II of Part I of the Social Security Act 1998 so far as they relate”.

103. - 106. *Omitted.*

107. -

- (1) In subsection (3) of section 179 of that Act (reciprocal agreements with countries outside the *Island*), after the words “Jobseekers Act 1995” there shall be inserted the words “, Chapter II of Part I of the Social Security Act 1998”.

- (2) After subsection (4)(aa) of that section there shall be inserted the following paragraph -

“(ab) to Chapter II of Part I of the Social Security Act 1998; and”.

108. In section 180 of that Act (payment of travelling expenses by *the Department*) -

- (a) in paragraph (a), after the words “the Social Security (Recovery of Benefits) Act 1997” there shall be inserted the words “, Chapter II of Part I of the Social Security Act 1998”; and

- (b) in paragraph (b)(i), after the words “the Social Security (Recovery of Benefits) Act 1997” there shall be inserted the words “, Chapter II of Part I of the Social Security Act 1998”.

109. In section 189 of that Act (regulations and orders: general), the following shall cease to have effect, namely

- (a) - (c) *Omitted;*

- (d) in subsection (5), the words “(other than the power conferred by section 24 above)”;

- (e) - (f) *Omitted.*

110. *Omitted.*

111. In section 191 of that Act (interpretation)

- (a) the definitions of "Commissioner" and "the disablement questions" shall cease to have effect; and
- (b) in the definition of "claimant" (in relation to industrial injuries benefit), for the words "section 44 above" there shall be substituted the words "section 29 of the Social Security Act 1998".

112. *Omitted.*

113. In Part I of Schedule 4 to that Act (persons employed in social security administration or adjudication) -

- (a) *Omitted;*
- (b) in the entry headed "*Adjudicating bodies*", in paragraph (a), for the words "a social security" there shall be substituted the word "an", and paragraph (b) *and* (c) shall cease to have effect;
- (c) in the entry headed "*The Social Fund*", the words "A social fund officer" shall cease to have effect; and
- (d) at the end of the entry headed "*Former statutory bodies and officers*" there shall be inserted the words -

"A social fund officer.

A clerk to, or other officer or member of the staff of, the former social security appeal tribunal or the former disability appeal tribunal".

114. - 115. *Omitted.*

116. -

- (1) In sub-paragraph (1) of paragraph 3 of Schedule 10 to that Act (supplementary benefit), for the words "Sections 20 to 29, 36 to 43, 51 to 61" there shall be substituted the words "Sections 8 to 18, 29 to 31 and 39 of the Social Security Act 1998".
- (2) In sub-paragraph (2) of that paragraph, for the words "section 59 above" there shall be substituted the words "section 16 of the Social Security Act 1998".

117. - 125. *Omitted.*

Pension Schemes Act 1993 (c.48)

126. In subsection (2) of section 8 of the Pension Schemes Act 1993 (meaning of "minimum payment" etc.), for the words "section 42A(2)" there shall be substituted the words "section 42A".

127. For subsections (1) and (1A) of section 41 of that Act (reduced rates of Class 1 contributions) there shall be substituted the following subsections -

"(1) Subsections (1A) to (1C) apply where -

- (a) the earnings paid to or for the benefit of an earner in any tax week are in respect of an employment which is contracted-out employment at the time of the payment, and
 - (b) the earner's service in the employment is service which qualifies him for a pension provided by a salary related contracted-out scheme;
- and in subsections (1A) and (1B) "the relevant part", in relation to those earnings, means so much of those earnings as exceeds the current lower earnings limit but not the current upper earnings limit for that week (or the prescribed equivalents if the earner is paid otherwise than weekly).

(1A) The amount of the primary Class 1 contribution in respect of the relevant part of those earnings ("amount A") shall be reduced by an amount equal to 1.6 per cent of that part.

(1B) The amount of any secondary Class 1 contribution in respect of the earnings ("amount B") shall be reduced by an amount equal to 3 per cent of the relevant part of those earnings ("amount C").

(1C) Where amount C exceeds amount B, the excess shall be set off against the amount which the secondary contributor is liable to pay (under paragraph 3 of Schedule 1 to the Social Security Contributions and Benefits Act 1992) in respect of amount A."

128. For subsections (1) and (2) of section 42A of that Act (reduced rates of Class 1 contributions, and rebates) there shall be substituted the following subsections -

"(1) Subsections (2) to (3) apply where -

- (a) the earnings paid to or for the benefit of an earner in any tax week are in respect of an employment which is contracted-out employment at the time of the payment, and
- (b) the earner's service in the employment is service which qualifies him for a pension provided by a money purchase contracted-out scheme;

and in subsections (2) and (2A) "the relevant part", in relation to those earnings, means so much of those earnings as exceeds the current lower earnings limit but not the current upper earnings limit for that week (or the prescribed equivalents if the earner is paid otherwise than weekly).

(2) The amount of the primary Class 1 contribution in respect of the relevant part of those earnings ("amount A") shall be reduced by an amount equal to the appropriate flat-rate percentage of that part.

(2A) The amount of any secondary Class 1 contribution in respect of the earnings ("amount B") shall be reduced by an amount equal to the appropriate flat-rate percentage of the relevant part of those earnings ("amount C").

(2B) Where amount C exceeds amount B, the excess shall be set off against the amount which the secondary contributor is liable to pay (under paragraph 3 of Schedule 1 to the Social Security Contributions and Benefits Act 1992) in respect of amount A."

129. In subsection (6)(c) of section 158 of that Act (disclosure of information between government departments etc.), for the words "sections 17 to 62 of the Social Security Administration Act 1992" there shall be substituted the words "Chapter II of Part 1 of the Social Security Act 1998".

130. -

(1) In subsection (3) of section 167 of that Act (application of general provisions relating to administration of social security), for the words "Section 58 of that Act (regulations as to determination of questions and matters arising out of, or pending, reviews and appeals)" there shall be substituted the words "Section 11 of the Social Security Act 1998 (regulations with respect to decisions)".

(2) Subsection (4) of that section shall cease to have effect.

131. *In section 170 of that Act (Determination of questions by the Department) -*

(a) *in subsection (1), for the words "section 17(1) of the Social Security Administration Act 1992" there shall be substituted the words "section 7A of the Social Security Act 1998";*

(b) *in subsection (7) -*

(i) *for the words "Sections 18 and 19 of the Social Security Administration Act 1992" there shall be substituted the words "Sections 7B and 7C of the Social Security Act 1998"; and*

(ii) *for the words "section 17" there shall be substituted the words "section 7A";*

(c) *in subsection (8), for the words "section 19" there shall be substituted the words "section 7C".*

132. -

- (1) *Omitted.*
- (2) *In subsection (2)(b) of section 171 of that Act (Questions arising in proceedings), for the words "sections 17 to 19 of the Social Security Administration Act 1992" there shall be substituted the words "sections 7A to 7C of the Social Security Act 1998".*
- (3) *In subsection (3) of that section -*
- (a) *in paragraph (a), for the words "section 18" there shall be substituted the words "section 7B"; and*
- (b) *in paragraph (c), for the words "section 19" there shall be substituted the words "section 7C".*

Jobseekers Act 1995 (c.18)

133. After subsection (3) of section 2 of the Jobseekers Act (the contribution-based conditions) there shall be inserted the following subsection -

“(3A) Where primary Class 1 contributions have been paid or treated as paid on any part of a person's earnings, subsections (2)(b) and (3) above shall have effect as if such contributions had been paid or treated as paid on so much of the earnings as did not exceed the upper earnings limit.”

134. -

- (1) In subsection (6) of section 6 of that Act (availability for employment) -
- (a) the words (“the first determination”) shall cease to have effect; and
- (b) for the words “on a review of the first determination” there shall be substituted the words “under section 9 or 10 of the Social Security Act 1998”.
- (2) *Omitted.*

135. In subsection (7) of section 7 of that Act (actively seeking employment) -

- (a) the words (“the first determination”) shall cease to have effect; and
- (b) for the words “on a review of the first determination” there shall be substituted the words “under section 9 or 10 of the Social Security Act 1998”.

136. - 137. *Omitted.*

138. Section 11 of that Act (jobseeker's agreement: reviews and appeals) shall cease to have effect.

139. -

- (1) In subsection (3) of section 16 of that Act (severe hardship), for paragraph (b) there shall be substituted the following paragraph -
- “(b) it appears to *it* that the person concerned has, without good cause -
- (i) neglected to avail himself of a reasonable opportunity of a place on a training scheme; or
- (ii) after a place on such a scheme has been notified to him by an employment officer as vacant or about to become vacant, refused or failed to apply for it or to accept it when offered to him; or”.

- (2) For subsection (4) of that section there shall be substituted the following subsection -

“(4) In this section -

“employment officer” means an officer of the *Department* or such other person as may be designated for the purposes of this section by an order made by the *Department*;

“period” includes -

- (a) a period of a determinate length;
- (b) a period defined by reference to the happening of a future event; and
- (c) a period of a determinate length but subject to earlier determination upon the happening of a future event;

“training scheme” has such meaning as may be prescribed.”

140. -

- (1) In subsection (2) of section 17 of that Act (reduced payments), for the word “either” there shall be substituted the word “any”.
- (2) In subsection (3) of that section, for paragraph (b) there shall be substituted the following paragraphs -

- “(b) he has given up a place on a training scheme, or failed to attend such a scheme on which he has been given a place, and no certificate has been issued to him under subsection (4);
- (c) he has lost his place on such a scheme through misconduct.”

- (3) For subsections (4) and (5) of that section there shall be substituted the following subsections -

“(4) Where a young person who has given up a place on a training scheme, or failed to attend such a scheme on which he has been given a place -

- (a) claims that there was good cause for his doing so; and
- (b) applies to the *Department* for a certificate under this subsection,

the *Department* shall, if *it* is satisfied that there was good cause, issue a certificate to that effect and give a copy of it to the young person.

(5) In this section -

“training scheme” has such meaning as may be prescribed;

“young person” means a person who has reached the age of 16 but not the age of 18.”

141. *Omitted.*

142. In subsection (2)(b)(ii) of section 20 of that Act (exemptions from section 19), for the words “he has failed to complete a course of training” there shall be substituted the words “the condition mentioned in section 17(3)(b) or (c) is satisfied”.

143. *Omitted.*

144. In subsection (1) of section 35 of that Act (interpretation) -

- (a) *in the definition of “adjudication officer”, for the words “section 38 of the Administration Act” there shall be substituted the words “section 1 of the Social Security Act 1998; and*

- (b) in the definition of "entitled", for the words "sections 1 and 68 of the Administration Act" there shall be substituted the words "section 1 of the Administration Act and section 27 of the Social Security Act 1998".

145. In subsection (1) of section 36 of that Act (regulations and orders), for the words "9(13) or 19(10)(a)" there shall be substituted the words "9(13), 16(4) or 19(10)(a)".

146. In paragraph 10(2) of Schedule 1 to that Act (supplementary provisions), for the words section "5(1)(n) of the Administration Act" there shall be substituted the words "section 21(2) of the Social Security Act 1998".

Industrial Tribunals Act 1996 (c.17)

147. *Omitted.*

Employment Rights Act 1996 (c.18)

148. *Omitted.*

Social Security (Recovery of Benefits) Act 1997 (c.27)

149. -

(1) For subsection (1) of section 10 of the Social Security (Recovery of Benefits) Act 1997 (review of certificates of recoverable benefits) there shall be substituted the following subsection -

"(1) Any certificate of recoverable benefits may be reviewed by the *Department* -

- (a) either within the prescribed period or in prescribed cases or circumstances; and
- (b) either on an application made for the purpose or on *its* own initiative."

(2) At the end of subsection (2) of that section there shall be inserted the words "or

(c) revoke the certificate."

150. -

(1) At the end of subsection (1) of section 11 of that Act (appeals against certificates of recoverable benefits) there shall be inserted the words "or

- (c) that listed benefits which have not been, and are not likely to be, paid to the injured person during the relevant period have been brought into account, or
- (d) that the payment on the basis of which the certificate was issued is not a payment within section 1(1)(a)."

(2) In subsection (2) of that section, after paragraph (a) there shall be inserted the following paragraph -

"(aa) (in a case where that certificate was issued under section 7(2)(a)) the person to whom it was so issued, or".

(3) Subsection (6) of that section shall cease to have effect.

151. -

(1) For subsections (1) and (2) of section 12 of that Act (reference of questions to *a social security* appeal tribunal) there shall be substituted the following subsection -

"(1) The *Department* must refer an appeal under section 11 to an appeal tribunal."

(2) In subsection (3) of that section, for the words "any question referred to it under subsection (1)" there shall be substituted the words "any appeal under section 11".

-
- (3) In subsection (4) of that section -
- (a) for the words “a reference under subsection (1) a *social security* appeal tribunal” there shall be substituted the words “an appeal under section 11 an appeal tribunal”; and
 - (b) at the end there shall be inserted the words “or
 - (c) declare that the certificate of recoverable benefits is to be revoked.”
- (4) In subsection (5) of that section -
- (a) for the words “the decisions of the tribunal on the questions referred to it under subsection (1), *the Department* must in accordance with those decisions” there shall be substituted the words “the decision of the tribunal on the appeal under section 11, it must in accordance with that decision”; and
 - (b) at the end there shall be inserted the words “or
 - (c) revoke the certificate.”
- (5) The following shall cease to have effect, namely -
- (a) subsection (6) of that section;
 - (b) in subsection (7) of that section, the words “under subsection (6)(b)”; and
 - (c) subsection (8) of that section.

152. -

- (1) In subsection (1) of section 13 of that Act (appeal to social security Commissioner), for the words “a *social security* appeal tribunal” there shall be substituted the words “an appeal tribunal”.
- (2) In subsection (2) of that section -
- (a) the word “or” at the end of paragraph (b) shall cease to have effect; and
 - (b) after that paragraph there shall be inserted the following paragraph -
 - “(bb) (in a case where that certificate was issued under section 7(2)(a)) the person to whom it was so issued, or”.
- (3) In subsection (3) of that section, for the words “Subsections (7) to (10) of section 23 of the Social Security Administration Act 1992” there shall be substituted the words “Subsections (7) to (12) of section 14 of the Social Security Act 1998”.
- (4) Subsection (4) of that section shall cease to have effect.

153. In section 29 of that Act (general interpretation) -

- (a) before the definition of “benefit” there shall be inserted the following definition -
 - ““appeal tribunal” means an appeal tribunal constituted under Chapter I of Part I of the Social Security Act 1998;”;
 - and
- (b) after the definition of “benefit” there shall be inserted the following definition -
 - ““Commissioner” has the same meaning as in Chapter II of Part I of the Social Security Act 1998 (see section 39);”.

SCHEDULE 8

REPEALS

Chapter	Short title	Extent of repeal
1983 c.41.	Health and Social Services and Social Security Adjudications Act 1983.	Section 25. Schedule 8.
1992 c.4.	Social Security Contributions and Benefits Act 1992.	In section 122(1), the definitions of "initial primary percentage" and "main primary percentage".
1992 c.5.	Social Security Administration Act 1992.	In section 5, in subsection (1), paragraphs (n) and (o). Part II. In section 118(4), the words "for a particular contribution card or", and the words "the card in question or". Section 119(2). In section 120, in subsection (1), the words "or (2)(a)" and, in subsection (5), paragraph (b) and the word "or" immediately preceding that paragraph. In section 121, in subsection (2), the words "or (2)(a)". Section 164(5)(a). In section 189, in subsection (5), the words "(other than the power conferred by section 24 above)". In section 191, the definitions of "Commissioner" and "the disablement questions". Schedules 2 and 3. In Schedule 4, in Part I, in the entry headed " <i>Adjudicating bodies</i> ", paragraph (b) and (c) and in the entry headed " <i>The Social Fund</i> ", the words "a social fund officer".
1993 c.48.	Pension Schemes Act 1993.	Section 167(4). In Schedule 8, paragraphs 25, 33 and 34.
1994 c.18.	Social Security (Incapacity for Work) Act 1994.	Section 6(2). In Schedule 1, paragraphs 11 and 46 to 48.
1995 c.18.	Jobseekers Act 1995.	In section 6(6), the words "(the first determination)". In section 7(7), the words "(the first determination)". Section 11. In Schedule 2, paragraphs 41 to 47.
1995 c.26.	Pensions Act 1995.	Section 137(2).

1997 c.27.	Social Security (Recovery of Benefits) Act 1997.	Section 11 (6).
		In section 12, subsection (6), in subsection (7), the words "under subsection (6)(b)", and subsection (8).
		In section 13, in subsection (2), the word "or" at the end of paragraph (b), and subsection (4).
1997 c.47.	Social Security Administration (Fraud) Act 1997.	Sections 17 and 18.
		In Schedule 1, paragraph 2.

Made 22nd February 2000



Minister for Health and Social Security

EXPLANATORY NOTE

(This note is not part of the Order)

1. Section 1 of the Social Security Act 1982 enables the Department by Order to apply to the Island, as part of the law of the Island and incorporating the exceptions, adaptations and modifications, any legislation to which the Act applies.
2. Inter alia, the Act applies to the Social Security Acts 1975 to 1998 (of Parliament) and any statutory instrument made or having effect as if made under those Acts.
3. This Order applies to the Island the legislation referred to in Article 2(1) of the Order. The applied legislation comes into force or is deemed to have come into force, as the case may be, on the same day as the corresponding provisions come or came into force in Great Britain unless stated otherwise. Where necessary the provisions have been applied in the Island administratively pending their application by Order.

4. The Act has three component parts:

- decisions and appeals - sections 1 to 47
(coming into operation on 6th October 2000)
- contribution changes - sections 48 - 46
(come into force at various dates in 1999 - principally the 6th April 1999)
- benefit and minor measures - sections 67 - 76
(come into force at various dates in 1999 - principally the 21st May 1999).

5. *Decisions and Appeals*

5.1 The Act contains changes to the decision making and appeals process in Social Security and is intended to streamline the processes involved.

5.2 It should be noted, however, that there are no changes to the rules of entitlement for benefit nor to the nature of the decisions that have to be made.

6. *Challenging Decisions*

6.1 At present, decisions on social security benefits can be 'reviewed' if there are grounds to do so, for example, if there has been a mistake to the facts or a change of circumstances.

6.2 The Act abolishes the concept of reviews and introduces provisions to:

- 'revise' decisions, or
- make decisions which supersede earlier ones.

7. *Tribunal Composition*

7.1 At present social security tribunals are composed of at least three members, one of which, the chairman, must be legally qualified and two represent employers and employees respectively. In the case of disability appeals tribunal, the legally qualified chairman is assisted by a medical practitioner and someone representing the views of the disabled, as the other two members.

7.2 Under the 1998 Act as enacted in the United Kingdom, tribunals may be composed of one, two or three members, one of which must be legally qualified and the others, if any, drawn from a panel of experts. However, the Department considered that for the Isle of Man, the present three person tribunal structure should be retained, and the legislation, as applied to the Island, has been modified accordingly. Although under the 1998 Act as applied to the Island there will be only one Tribunal instead of the present two, that one will have the same composition as the present two, that is as well as the legally qualified chairman the other two members will be a medical practitioner and someone representing the disabled where the appeal is concerned with a disability benefit, and in other cases the two other members will be an employer and an employee representative.

8. *Contribution Changes*

- 8.1 The Act contains a number of changes to the National Insurance contribution regime. The overall aim of the measures is to restructure the contribution system, effective from April 1999.

9. *Contribution System*

- 9.1 Employees: Up to April 1999 the rate of contributions payable by the main group of contributors (employees) was 2% on earnings up to the lower earnings limit (£64 per week) and 10% on the remainder up to the upper earnings limit (£485 per week).

- 9.2 However, from April 1999, the Act provides for the 2% contribution on earnings below the lower earnings limit for employees with earnings above the lower earnings limit to be abolished. Employees simply pay a 10% contribution on earnings between the lower and upper earnings limits. This change results in all employees with earnings over the lower earnings limit but below the upper earnings limit being at least £1.32 a week better off than would otherwise have been the case.

- 9.3 Employers: Up to April 1999 the standard rates of contributions payable by employers were -

3.0% on all earnings where earnings were between £ 64.00 and £109.99
5.0% on all earnings where earnings were between £110.00 and £154.99
7.0% on all earnings where earnings were between £155.00 and £209.99
10.0% on all earnings where earnings were £210 or more.

- 9.4 The Act introduces from April 1999, a new entry point for secondary Class 1 National Insurance contributions, called the earnings threshold. This is set at £83 per week.

- 9.5 A flat rate of 12.2% is applied to all earnings above the earnings threshold, no contributions being due on the portion of earnings up to and including the earnings threshold.