



**Isle of Man
Government**

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High Level Policy on Means Testing

Public Consultation:
Discussion with PAG, 6/2017
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Chair Social Policy & Children's
CoMin Sub-Committee

Background

- Refreshing eligibility & access for services provided below cost and social security benefits
 - Piecemeal changes between 2011 & 2016
 - Ci65 Social Security & National Insurance review, Big Debate, & Social Security and National Insurance Reform
 - 90% agree that those who can afford it should pay for some services (i.e. means tested elements where appropriate) and agreed that ‘the welfare system (excluding pensions) is there for a hand up not a hand out’
 - 87% agree best to tell Government something once and want control of our own personal information.



What and how?

- “fair & consistent means-testing regime”
- “a wide range of policy options Before determining the right ones it is important that we agree the principles under which any means testing system should operate” e.g. “issues such as household composition and whether capital should be taken into account in assessing means.”



Consultation

- Massively important topic
- Neither one-size-fits-all
- Nor big-bang
- Realistic about the delivery timescale
- Next step in a process, but the policy and principles in it if agreed can be instrumental and transformative



Political questions 1

- When should provision be based on needs or on another criterion like age or even be available universally, either as a matter of social principle or to minimise the inevitable administrative expense of means testing?
- If means testing is applied, what and whose means should be taken into account; how can, and how should, financial and other information be collected and used; and what consequences should result from failure to meet obligations?
- What additional services should be provided free or at reduced cost to those who are entitled to means-tested benefits, so called 'passporting'?



Political questions 2

- How are poverty traps, cliff-edges and the provision of an incentive for work tackled?
- How can many separate means tests, often with different application forms and processes, be justifiable?
- What level of support and provision can and how should a financially responsible government provide, and should this support and provision be financed?
- Could social security and tax systems be linked in the longer term and, if so, how?



What means?

- **That the means testing calculation is done by the Treasury in the medium to long term;**
- That a standard list of incomes, capital assets, additions and deductions which would be used for means testing is drawn up;
- That there is one application process where relevant information is provided;
- That Treasury prepare an implementation plan for the process and system;
- That Government moves gradually to standardise the income, capital, additions and deductions included across all means tested benefits



Whose means?

- **That the “income of up to two adults, in a relationship, sharing an address” is the standard measure for determining means;**
- That full time students are assumed to be living with their parents for this purpose regardless of their actual circumstances.



When are means tested?

- **That cash payments are assessed more regularly than eligibility for free or discounted services;**
- That access to services (including payments to third parties - such as universities) be assessed on an annual basis unless a defined set of material circumstances (e.g. separation) require;
- Where passported benefits are linked to cash benefits that these are reassessed on the same timescale.



How are means tested?

- “User-friendly, resource-light and take full advantage of technology”
- **That a simple proportional withdrawal of the combined value of benefits is applied using technology to avoid “cliff edges”;**
- Households would be banded at levels of discount to standard charges ranging from 0 to 100%;
- Cash payments will still be made where required.



Privacy

- GDPR and data protection are forefront;
- Privacy by Design is a key principle in the development of any technology



Which provision is means tested?

- The general principle is envisaged as follows:
 - Government recognises that things like social security, public sector housing, and subsidised or free at the point of delivery services are necessary enablers to support a better society but that they should be directed towards those who need them most and should be provided with regard to a sustainable level of public finance.
- **That more detailed means testing policies are prepared by the Council of Ministers Social Policy and Children's Sub Committee subsequent to this consultation and other ongoing policy development.**



Thank you

- Consultation responses by 18th August
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