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Fact sheets on Britain

Social Security

A comprehensive system of social security is provided in Britain by national insurance, industrial injuries insurance, family allowances and supplementary benefits, together with war pensions. Most of these services are administered by the Department of Health and Social Security in Great Britain and the Ministry of Health and Social Services in Northern Ireland. The Department of Health and Social Security is responsible for pensions and welfare services for war pensioners throughout Britain.

The present system of social security, which replaced earlier provisions, was established by four Acts: the Family Allowances Act 1945; the National Insurance Act 1946; the National Insurance (Industrial Injuries) Act 1946; and the National Assistance Act 1948. Parallel legislation was enacted in Northern Ireland. The system has continued to evolve and a number of changes in social security provisions have taken place. Proposals for a new earnings-related scheme for pensions and other benefits were published by the Government in January 1969.

Family Allowances

A family allowance is paid for each child other than the first or only child up to the age of 15 years (the minimum school-leaving age) and for any further period up to his 19th birthday while he is receiving full-time instruction in school or college, or is engaged as an apprentice. The allowance is 18s. a week for the second child and 20s. for each child after the second. Family allowances are financed from general taxation.

National Insurance and Industrial Injuries Insurance

The National Insurance and Industrial Injuries Insurance schemes are based on the principle that benefits must be earned by contributions. Everyone between school-leaving age and retirement age is legally bound to take part in the

schemes. The contributions, which are compulsory, and the range of benefits available, vary according to the following employment classifications:

Employed people: over 23 million.

Self-employed people: 1½ million.

Non-employed (not unemployed, but not working for gain): a quarter of a million.

Employed people over the age of 18 also pay graduated contributions to provide for additions to the flat-rate retirement pension and for earnings-related additions to sickness and unemployment benefit and to widow's allowance.

Workers can be 'contracted out' of the graduated pension scheme by their employer if he has a satisfactory superannuation scheme in force for them.

The Industrial Injuries scheme covers all employed people with a very few exceptions.

The flat-rate weekly rates of contribution payable for National Insurance (including Industrial Injuries Insurance) for men not taking part in the graduated pension scheme are: employed people 33s. 4d. (employer pays 17s. 5d., employee 15s. 11d.); self-employed 18s. 10d.; non-employed 14s. 3d. Rates are lower for women and much lower for young people under 18. The flat-rate weekly contribution for employed men taking part in the graduated pension scheme is 28s. 6d. (employer pays 15s. 0d., employee 13s. 6d.); the rate is lower for women. Graduated contributions for those taking part in the whole of the graduated scheme amount to 4½ per cent of the part of weekly earnings between £9 and £18 and a half per cent of the part between £18 and £30, the lowest payment being 1d. and the highest 9s. 9d.

Married women are covered by their husbands' insurance, but those who are working may contribute on their own behalf (and must pay graduated contributions if their weekly earnings exceed £9). Contributions are not required while benefits under the scheme are actually being received. Before most types of benefit can be received a minimum number of contributions must have been paid.

Contributions by insured people and by employers account for part of the cost of the scheme and the remainder is borne by the Exchequer.

Flat-rate contributions are normally paid weekly by affixing special stamps bought at post offices

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to a national insurance card issued by the Department of Health and Social Security. The stamp also covers a small contribution towards the National Health Service, but medical treatment is available to all free of charge without regard to contributions (see Fact Sheet C2 *The National Health Service*). The employer is responsible for buying the stamps which, in the case of employed people, also include two other payments made by employers in respect of their employees. These are the redundancy contribution which helps to provide assistance to employees who become redundant and the selective employment tax paid by employers. Self-employed and non-employed people buy their own stamps. Graduated contributions are collected separately through the machinery for collecting pay-as-you-earn income tax.

The benefits available are:

At a Birth: A maternity grant of £22 for each child born; a maternity allowance for working women of £4 10s. a week for 18 weeks from the eleventh week before confinement for those who are themselves paying contributions.

During Working Life: Sickness benefit is paid at the standard rate of £4 10s. a week plus dependants' allowances of £2 16s. for a wife or other adult dependant and £1 8s. for each child, inclusive of family allowances. Benefit is payable for up to one year or, if 156 or more contributions have been paid, as long as incapacity lasts or until the sick person reaches pension age. For married women who have paid contributions the standard rate is £3 2s. a week.

Unemployment benefit at the same rate as sickness benefit is payable for up to 12 months in any one period of interruption of employment. Supplements to both sickness and unemployment benefit are paid to those who have paid additional graduated contributions. This is at the rate of one-third of a person's average weekly earnings between £9 and £30.

Industrial injury benefit is paid to the victims of industrial accidents or certain prescribed industrial diseases at the rate of £7 5s. a week plus dependants' allowances for up to 26 weeks. After this period disablement benefit may be payable at a rate determined by the extent of disablement, the maximum being £7 12s.

Additional allowances are paid for special difficulties, for example, unemployability, the need for constant attendance at home, exceptionally severe disablement and special hardship (in the case of a person unfit to return to his regular job or the equivalent).

On Retirement: Retirement pensions are paid to men between the ages of 65 and 70 and to women between 60 and 65 on actual retirement from full-time work; deductions are made from the pension for any subsequent earnings exceeding £6 10s. a week.

No deduction is made from the pension of men of 70 or over and women of 65 or over if they are still working. The standard rate of pension is £4 10s. a week for a single person and £7 6s. for a married couple; men and women who stay at work beyond the minimum pension age earn higher pensions when they do retire. In addition, a graduated pension is payable to those who have paid graduated contributions, at the rate of 6d. a week for every £7 10s. paid by an employed man, with the matching £7 10s. paid by his employer (£9 in the case of women, who can draw retirement pension from an earlier age than men and have a longer expectation of life).

In Widowhood: A widow's allowance is payable at the rate of £6 7s. a week plus £2 5s. 6d. for each child, inclusive of family allowances, for the first 26 weeks of widowhood. After this, a widowed mother receives allowances at the same rates for her dependent children plus £4 10s. for herself. A widow's pension of £4 10s. is paid to older widows not receiving the preceding allowances. There are pensions at higher rates for women widowed through an industrial accident.

At a Death: A death grant is payable on the death of an insured person or an insured person's near relative. The amount is £30 for an adult and a smaller sum for a child.

Supplementary Benefits

Supplementary benefits, which replaced national assistance in November 1966, are designed to bring a person's income up to a guaranteed weekly level. Supplementary pensions may be claimed by those over pensionable age and supplementary allowances by anyone aged 16 or over who is not in full-time work. There are no contribution conditions and the cost is met out of general taxation.

Reciprocal Arrangements

There are reciprocal arrangements for some or all of the social security schemes between Britain and a number of other countries.

War Pensions

Pensions and welfare services for people disabled or bereaved through war are separately provided for, but are also administered by the Department of Health and Social Security.

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