

UNITED KINGDOM

Nomenclature

SERPS	State earning related pension scheme
SMP	Statutory Maternity Pay
SSP	Statutory Sickness Pay
GMP	Guaranteed Minimum Pension
WRFE	Work Related Further Education

Monetary unit

Social spending is expressed in millions of pounds sterling (GBP).

General notes

Fiscal year from 1 April.

The Department of Social Protection (DSP) is the ministry responsible for the development and delivery of social programmes. Various agencies are responsible for delivering the programme. Executive agencies of the DSS are responsible to the Secretary of State for payment of most cash benefits (Benefits Agency), administering child maintenance payments (Child Support Agency), and other related and ancillary functions. The Inland Revenue is responsible for the collection and recording of contributions and the assessment and payment of tax credits for working families and people with an illness or disability who are in work.

The Employment Service of the Employment Ministry and the Benefits Agency have joint responsibility for administration of benefits for the unemployed. Local authorities administer Housing Benefit and Council Tax Benefit. Employers are responsible for paying Statutory Sick Pay and Statutory Maternity Pay. The Local Authorities, the Employment Service and the Department of Social Security jointly run 'ONE' pilot offices, which provide all services from one contact point. NHS authorities are funded to secure health services for their local population through contracts with NHS Trusts and other service providers and professionals. Social care services are provided or purchased by local authorities within a financial and legislative framework determined by the Health Ministry.

There is no comprehensive information on what part of spending by charitable organizations can be considered social and what not. Hence such spending is not reported.

The individual country notes of the OECD Benefits and Wages (www.oecd.org/els/social/workincentives) provide a comprehensive description of characteristics of social programmes (e.g. conditions for receipt, calculation of payment rates, tax treatment of social support, benefit duration, etc.) for the working-age population, including: unemployment insurance and assistance, social assistance, employment-conditional benefits, housing benefits, family benefits, childcare support, and support for sole parent households.

Break in series:

Data for 1990 onwards are based on the new ESSPROS methodology format. Coherent spending series for 1980 onwards at the individual programme level were obtained on basis of information for a few years in the early 1990s for which both historical spending series and information based on the new ESSPROS format were available. For certain programmes and aggregate categories, breaks in series (between 1989 and 1990) were inevitable. In general, programmes from the old ESSPROS format which could not be matched with a figure from the new ESSPROS format were set for the 1990-98 period to “missing”; similarly, figures from the new ESSPROS format which could not be matched to a programme from the old methodology were set to “missing” for the period 1980-89.

Secretariat estimates

There are estimates on the mandatory component of pension payments by private pension schemes (“contracted-out”). *DSS Social Security Statistics*, 1999, HMSO, London, Table B1.10.

Sources

1990-2001

Data provided by EUROSTAT (ESSPROS database).

OECD Labour Market Policy database.

OECD Health Data 2003 (www.oecd.org/health/healthdata).

MISSOC, Mutual information system on social protection in the Member states of the European Union and of the European Economic Area, *situation on January 1st, 2001 and evolution* (http://europa.eu.int/comm/employment_social/missoc2001/index_en.htm).

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Code	Title of the programme	Description of the programme and attached notes
1. OLD AGE		
826.10.1.1.1.5	Occupational pensions	Occupational pensions are also known as works pensions, company pensions and superannuation. They are provided by employers.
826.10.1.1.3.2	National insurance funds (including SSP and SMP)	Three pensions are provided: basic pension, graduated retirement benefit and State Earnings Related Pension. These benefits are taxable as income but any increases in respect of dependent children are not. Figures for the "Graduated pension", the "Earnings related component (SERPS)" and the "Deferred retirement component" are included in this programme. The categories of contributory pension are: Category A (dependent on a person's own contributions) and Category B (dependent on contributions paid by a spouse). People who meet the contribution conditions get a flat-rate basic pension at the standard rate. If the conditions are only partly met, the basic pension is reduced (with a minimum of 25 % of the standard rate). People should have reached State pension age (65 for men and 60 for women).
826.10.1.1.3.6	Other lump sum benefits: income support, family credit and social funds	Income support is a non-contributory benefit. In general it is now only available to people who are not required to be available for work such as pensioners, lone parents and sick and disabled people. Family credit is a weekly tax-free social security benefit for working people who are responsible for bringing up at least one child under the age of 16 (or under 19 in full-time education up to A-level or equivalent standard). Both two-parents and one-parent families can get family credit. The Social Fund can provide extra help with particular additional needs in certain circumstances. The discretionary part of the Social Fund provides help in form of non-repayable grants and interest-free loans. The discretionary payments are Community Care Grants, Budgeting Loans and Crisis Loans.
826.10.1.1.3.9	Other periodic benefits: attendance allowance	Attendance allowance is a benefit for people over the age of 65 who are so severely disabled, physically or mentally, that they need a great deal of help with personal care or supervision. They could need either frequent attention coping with their bodily functions or continual supervision to stop them hurting themselves or other. This could be either during the day or at night. People who have a terminal illness, and are unlikely to live longer than 6 months can claim Attendance Allowance (AA) under the "special rules" provisions. This means they will automatically receive the higher rate of AA even if they have no care or supervision needs and without the need to satisfy the normal 6 month qualifying criteria.
826.20.1.1.1.1	Contracted-out employees, Guaranteed Minimum Pension (GMP)	There are estimates on the mandatory component of pension payments by private pension schemes ("contracted-out"). The GMP came into force after April 1988. <i>Source: DSS Social Security Statistics, 1999, HMSO, London, Table B1.10. www.dwp.gov.uk</i>
2. SURVIVORS		
826.10.2.1.1.2	National insurance funds (including SSP and SMP)	A widow is entitled to National Insurance Widow's benefit if her late husband met the contribution conditions. Two benefits are provided: basic flat-rate pension and State Earnings Related Pension.
826.10.2.1.1.3	War pension	The standard rate may be paid if the widow has a dependant child, or is over 40 or is incapable of self-support. The lower rate is paid to childless widows under the age of 40. If the husband was receiving Constant Attendance Allowance or at the time of his death was 80 per cent or more disabled and receiving Unemployability Supplement, a War Widows pension is awarded automatically irrespective of the cause of the death.

826.10.2.1.2.1	Income support, family credit and social funds	Social Fund Funeral Payments provide help with funeral expenses where someone has been awarded a qualifying benefit (income support, income based jobseekers' allowances, working families' Tax Credit, housing benefit, Council Tax benefit or disabled persons' Tax Credit.
3. INCAPACITY-RELATED BENEFITS (Disability, Occupational injury and disease, Sickness)		
826.10.3.1.1.2	War pension	Pensions, allowances or other payments may be awarded where disablement or death is a result of service in HM Forces or of an injury sustained as a result of war-time service in the Naval Auxiliary Service or the Mercantile Marine or a Civil Defence organization. This is paid at a rate which varies according to the degree of disablement (which is assessed on a percentage basis by the Department's doctors).
826.10.3.1.1.3	Severely disabled persons	People who are incapable of work and do not satisfy the contribution conditions for incapacity benefit may get Severe Disablement Allowance. Claimants should be aged between 16 and 65. There is no upper age limit for receiving the allowance once it has been awarded. Claimants must have been incapable of work for at least 28 weeks. Anyone who became incapable of work before their 20th birthday may qualify on this basis alone. People who became incapable of work after their 20th birthday must also prove they have been 80 per cent disabled for at least 28 weeks.
826.10.3.1.1.4 and 826.10.3.1.1.8	Care allowance	Invalid care allowance is a non-contributory benefit for men and women who are eligible before their 65th birthdays, who are not gainfully employed, who are not in full-time education and who look after a severely disabled person for at least 35 hours per week.
826.10.3.1.1.9	Periodic : National insurance funds (including SSP and SMP, disability)	Beneficiaries of an invalidity pension will continue to receive it for as long as the incapacity lasts, up to 65 for men and 60 for women. There are however special arrangements for people over these ages: the invalid pensioner can choose not to claim his/her retirement pension and continue to qualify for basic invalidity pension, payable at the retirement pension rate, up to age 70 for men and 65 for women. This programme includes the "earnings related component (SERPS)".
826.10.3.1.4.2	National insurance funds (including SSP and SMP)	Most people who work for an employer and are sick for at least four or more days can get SSP from their employers for a maximum of 28 weeks in any spell or series of linked spells of sickness. Spells with 8 weeks or less between them link and count as one. If you are still sick after getting 28 weeks of SSP you may get Incapacity benefit. SSP can be paid even if you are working outside the UK.
826.10.3.1.5.5	Other lump sum	Disability Living Allowance is a benefit for people who became disabled before the age of 65. It replaced and extended Attendance Allowance and Mobility Allowance. It consists of two parts: the care component for people who need help with personal care and the mobility component for people who need help with getting around. Children under 5 cannot get the mobility component. Long-term incapacity benefit is taxable with exceptions for people who were receiving the former invalidity benefit when it was abolished in 1995. Attendance allowance, disability living allowance and severe disablement allowance are not subject to taxation. Invalid care allowances are taxable but any child dependency addition is not.
826.10.3.2.2.1	Severely disabled persons (rehabilitation services)	Preventive health care, medical rehabilitation and therapy are provided by the National Health Service.
4. HEALTH		
826.10.4.2.0.0	Public expenditure on health	See <i>OECD Health Data 2003</i> .
5. FAMILY		
826.10.5.1.1.1 and 826.10.5.1.3.1	Child benefit and one-parent benefit	Child benefit is normally paid for children up to the age of 16 and living in the country. If a child is in full-time non-advanced education (i.e. up to A-level standard) at a recognized educational establishment, benefit may be paid for them until they are 19. Child benefit can also be paid for a short period for 16 or 17 years old who have just left

		<p>school and are registered for work or work based training for young people.</p> <p>A higher rate of child benefit for the eldest or only child, known as child benefit (lone parent) was payable to most people bringing up children on their own until 6 July 1998. From that date, it is only payable to existing recipients and people in specified circumstances making new claims. This includes the lone parent rate of family premium in Income support (or in Jobseeker's allowance) and move into work.</p> <p>There is no variation with income or with age.</p>
826.10.5.1.3.2 and 826.10.5.1.3.3	National insurance funds (including SSP and SMP) and Income support, family credit and social funds	<p>This was a National Insurance lump sum benefit paid to women who gave birth before 4 July 1982. It was paid either if the mother or her husband satisfied the contribution conditions. If the mother had a multiple birth, she would get more than one grant. All mothers who gave births between 4 July 1982 and 5 April 1987 could get the grant if they could satisfy a simple test of presence in Great Britain. During this time the grant was non-contributory. From April 1987 Social Fund pays maternity grants based on need.</p> <p>A woman who has worked and paid full National Insurance contributions in the relevant test period can get this allowance. It is paid for 18 weeks, at the earliest starting 11 weeks before the baby is due. If the woman does not any paid work during this period, she cannot get the allowance for that time. From 6 April 1987 most women who work for an employer and who have average earnings at or above the lower earnings are entitled to Statutory Maternity Pay which employers are liable to pay.</p>
6.	ACTIVE LABOUR MARKET PROGRAMMES	
	See OECD Labour Market Policy database.	
826.10.6.0.3.1	Work related further education (WRFE)	<p>Work Related Further Education is a scheme run in co-operation with employers and schools to give young people training in enterprises. WRFE is replaced by Further Education complement and Development Funds to ensure that Further Education sector meets the needs of the labour market more effectively.</p>
7.	UNEMPLOYMENT	
	See OECD Labour Market Policy database.	
826.10.7.1.1.2	Other income support	<p>The figures include related housing benefits and local tax rebates for the unemployed. They cover a little more than 25 per cent of spending relative to other income support.</p>
8.	HOUSING	
826.10.8.1.1.0	Housing allowances	<p>Housing benefit is an income-related social security benefit designed to help people who rent their homes and have difficulty meeting their housing costs. It is administered by local authorities. It can only be paid to tenants who are legally liable to pay rent for their home. It cannot be used towards the housing cost of owner-occupiers.</p>