

better. That's how America came to spend 12% of gross domestic product to produce a medical system that is no better than anyone else's. It even has some rather serious deficiencies.

If we were to introduce a true market—even insurance based—we would produce very well paid doctors and a very expensive system, but I doubt we'd produce any more quality.

General practitioners and health authorities are much more informed customers of services than any patient, whether here or in the States.

JR: What's your vision for 10 or 20 years from now?

KC: That we've retained the principle of universal access to the highest possible quality care. How high we can get depends on politicians, doctors, administrators, and others in the service. I don't imagine the system I introduced will be permanent. Nothing is, of course. I do believe that nobody will go back on things like clinical audit, measurement of quality, better resource management. These are tools to discovering better ways of doing things.

Understanding Benefits

Introduction to the social security system

Simon Ennals

Because it is widely believed that the government changed the whole social security system in April 1988, replacing legal entitlements with official discretion, many people assume that any previous knowledge they may have had of the benefits system is now obsolete. In fact, the major changes that occurred in 1988 were not that sweeping. Certainly there is now more discretion, but the main structure of the social security system remains fundamentally unchanged. The changes were mainly concentrated in one part of the system: the means tested benefits—but since so many people depend on means tested benefits the changes in this area have tended to overshadow other more stable areas of the system. This article outlines the main features of the current system.

The structure of the system is still largely that set up after the second world war, following the Beveridge Report. The aim was to establish a system of social insurance that would be paid into by the working population and would then provide benefits as of right during times when the breadwinner could not earn a living, without resort to the hated means test. The centrepiece of social security is still the contributory benefits, such as retirement pensions and invalidity benefit, paid, without any means test, on the basis of National Insurance contributions.

Although most needs were intended to be met by the contributory benefits, it was accepted from the start that some needs, such as family support, were best met without a contribution test or a means test. Child benefit (and its predecessor family allowance) have always been paid as non-contributory benefits without reference to means. The range of needs to be met by non-contributory benefits was considerably expanded in the next 40 years, especially during the 1970s, when benefits were introduced for the long term sick,³ and severely disabled.

Moreover, it was also accepted that there would need to be a residual means tested sector to provide a safety net for those who, for whatever reason, slipped through the net of National Insurance. In the late 1940s this national assistance was expected to have to provide for only a few thousand people at most. That, of course, was the major flawed assumption which has led to the chaos surrounding present day social security. In 1989 the successor to national assistance— income support—was claimed by almost four and a half million households. Housing benefit and family credit—the other main means tested benefits—were being claimed by 5 350 000 and 285 000 respectively.

So why have means tested benefits grown from a residual safety net to being relied on by millions of

Benefits checklist for patients

<i>Patient group</i>	<i>Contributory benefits</i>	<i>Non-contributory benefits</i>	<i>Means tested benefit</i>
Elderly	Retirement pension	Over 80 retirement pension Attendance allowance	Income support, housing benefit, community charge benefit
Disabled and long term sick	Invalidity benefit	Severe disability allowance, attendance allowance, mobility allowance, industrial injury benefit	Income support, housing benefit, community charge benefit
Short term sick	Sickness benefit	Statutory sick pay	Income support, housing benefit, community charge benefit
Families in low paid work		Child benefit, one parent benefit	Family credit, housing benefit, community charge benefit
Pregnant women/ nursing mothers	Maternity allowance, sickness benefit	Statutory maternity pay	Income support, housing benefit, community charge benefit, social fund
Unemployed	Unemployment benefit, sickness benefit		Income support, housing benefit, community charge benefit
Widows	Widow's pension, widowed mother's allowance, widow's payment		Income support, housing benefit, community charge benefit
Some people will fall into more than one group.			

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claimants? The reasons include demographic and social changes such as the growth in the numbers of elderly people and of lone parents; economic changes such as the onset of widespread long term unemployment; and political factors, including the fact that some National Insurance benefits have been so low that claimants' incomes are still below the "poverty line" of the income support level.

Each section of the benefit system is important in its own right and may represent an appreciable part of a patient's weekly income. As important, however, is the fact that many benefits also act as "passports" to other benefits. The checklist shows the range of benefits likely to be available to various patient groups.

National Insurance: contributions and benefits

Everyone between the ages of 16 and 60 (women) or 65 (men) is normally liable to pay National Insurance contributions on their earnings (see box). In return they are entitled to certain payments when they are ill, unemployed, or retired.

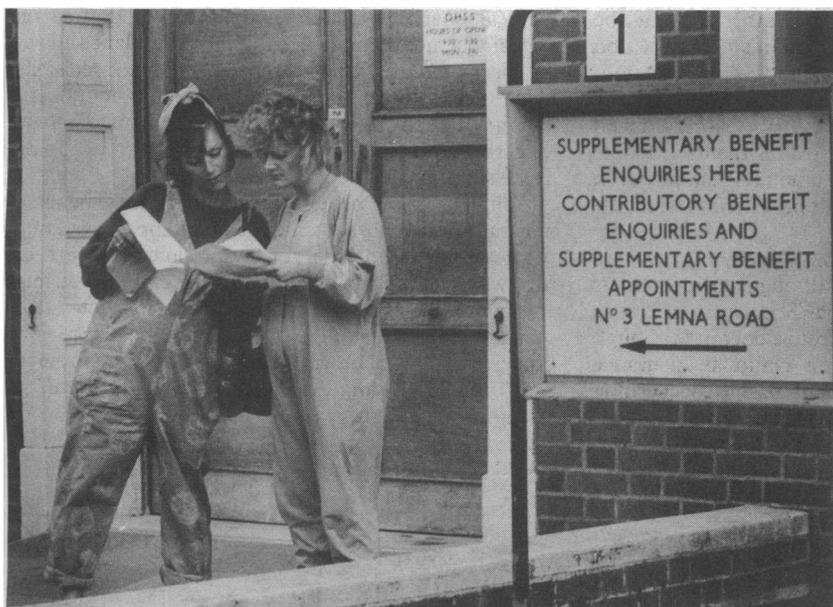
RETIREMENT PENSION

Although many people assume that all retired people receive a retirement pension, this is not the case unless they, or their spouse, have paid enough National Insurance contributions. Elderly members of ethnic minority communities are particularly affected by this requirement and may have no pension rights at all, leaving them entirely dependent on means tested benefits. There are two main types of retirement pension.

Category A is paid on a claimant's own contributions and provides: £46.90 per week for the claimant—£28.20 per week for an adult dependant—£9.65 per week for a child dependant.

Category B is paid on a spouse's contributions and provides:—£28.20 per week if the spouse is still alive—£46.90 per week for a widow(er).

Some pensioners also receive small amounts of graduated pensions or, more recently, additional earnings related pension under the state earnings related pension scheme. A retirement pension can be claimed by women at 60 and by men at 65, although it may be deferred by up to five years. There is no longer any limit to the amount someone can earn while still receiving the full pension. There is also a non-contributory pension for people over 80.



National Insurance payments

Class 1 contributions are paid by employees on earnings of £46-£350 per week, and give entitlement to all the contributory benefits. People "contracted out" of the state earning related pension scheme (SERPS) pay a lower rate of contribution.

Class 2 contributions are paid by self employed people earning at least £2600 at a flat rate of £4.55 a week. These give entitlement to all contributory benefits, except unemployment benefit. Many self employed people do not realise that they may be entitled to sickness benefit if they are ill and may therefore need medical certificates from their general practitioner.

Class 3 contributions are purely voluntary, and are intended to allow people to make up deficiencies in contribution records to protect entitlement to retirement pension and widows benefits. Someone who receives an invitation to pay class 3 should get advice from the Department of Social Security on whether these are worth paying.

Class 4 contributions are paid by the self employed on a percentage of their net profit. They do not give entitlement to any benefits.

Contributions are credited for weeks of incapacity, unemployment, caring for a disabled person, and during the maternity pay period. A similar scheme operates for years spent looking after children, known as home responsibilities protection, which reduces the number of years someone has to have paid contributions in order to receive retirement pension or widow's benefits.

WIDOWS' BENEFITS

Widows are eligible for several different benefits, all based on the late husband's contribution record.

Widow's payment is a lump sum of £1000.

Widowed mother's allowance is for a woman still responsible for children under 19. The allowance is £46.90 per week plus £9.65 for each child. It ceases on remarriage and is suspended during any period of cohabitation.

Widow's pension is for women without dependent children aged at least 45 when their husband died. The basic amount is £46.90 per week but is reduced for women widowed under the age of 55.

UNEMPLOYMENT BENEFIT

Many unemployed people do not receive unemployment benefit because they have not paid enough National Insurance contributions or because they have been unemployed for longer than a year—the maximum period for which benefit can be received. Most unemployed people therefore have to rely on income support, either entirely, or to top up their unemployment benefit of £37.35 per week, with an addition of £23.05 for an adult dependant. There is no additional payment for children. Even if an unemployed claimant needs to receive income support, unemployment benefit still has to be claimed and a decision taken by the Department of Employment on whether the claimant is "available for work" and "actively seeking employment." If these tests are not satisfied then unemployment benefit will be refused and any income support reduced.

SICKNESS AND INVALIDITY BENEFITS

Sickness and invalidity benefits are both based on a test of incapacity for work, and are therefore the ones doctors come across most often. Sickness benefit is paid for up to 28 weeks, at £37.50 per week, with an addition of £22.10 per week for an adult dependant. Since the introduction of statutory sick pay in 1983 sickness benefit has become less important, although it is still relevant to the self employed and the

unemployed. Even if someone has not paid enough contributions, making a claim enables a person to receive income support without being required to look for work. Invalidity benefit is available to those incapable of work for more than 28 weeks providing the contribution conditions are met. It is paid at the same rates as retirement pension with an age related addition as well.

MATERNITY ALLOWANCE

Maternity allowance has declined in importance since the introduction of statutory maternity pay in 1987. Maternity allowance is paid for up to 18 weeks, at £35.70 per week, with an addition of £22.10 for an adult dependant.

Non-contributory benefits

Child benefit is the most widely claimed non-contributory benefit and has been paid at £7.25 per week per child since April 1987. It is paid for all children from birth and continues until the age of 18 for children in full time (at least 12 hours a week) secondary education. The benefit continues for the school holiday after the child finishes school. For some 16 and 17 year old school leavers child benefit continues for a further period to allow time for them to find a youth training place. The child does not have to be a blood relation but in most cases must be living with the claimant.

One parent benefit of £5.60 per week can be claimed by single parents.

Attendance allowance is a vitally important benefit for disabled people who need help or supervision from other people. It is paid at £37.55 per week when help is needed both day and night and at £25.05 when help is needed only in the day or at night. Attendance allowance serves as a passport to additional payments of income support and housing benefit.

Invalid care allowance—People caring for patients who receive attendance allowance may qualify for invalid care allowance if they are not in full time work.

Mobility allowance is paid at £26.25 per week for people with considerable difficulty in walking. Like Attendance Allowance it entitles a claimant to additional payments of income support and housing benefit.

Severe disablement allowance is a non-contributory version of the invalidity pension, but paid at a much lower rate of £28.20 per week, with an addition for an adult dependant of only £16.85.

Industrial injury benefits—The various benefits for industrial injuries and prescribed industrial diseases have a longer pedigree than any other part of the system, dating back to the workman's compensation schemes of the nineteenth century. They are non-contributory and do not rely on proving blame for the accident. They include disablement pension, reduced earnings allowance, and additional payments available for very severe disabilities. The amounts paid per week depend on the degree of disability arising from the accident or disease.

Statutory sick pay and statutory maternity pay are administered by employers, although entitlement is based on Department of Social Security regulations and usually requires evidence from a doctor. Although they are not directly based on National Insurance contributions paid, the claimant has to be earning enough to pay National Insurance in order to qualify.

Means tested benefits

Many people are entitled to claim one or more of the means tested benefits on top of a National Insurance benefit if their income is low enough. Others are entirely dependent on the means tested benefits.

Income support took the place of supplementary benefit and is the main benefit for people not in full time work with capital under £8000. It works by topping up someone's existing income to a basic minimum level—known as the "applicable amount." Additional payments are included for people with disabilities, pensioners, families with children, and mortgage payers.

Housing benefit is administered by local councils and provides help with rent payments. Qualifying levels are closely linked to income support levels. Claimants must have capital of less than £16 000.

Community charge benefit is also administered by local authorities in almost exactly the same way as housing benefit and can meet up to 80% of someone's community charge bill.

Family credit was described as the jewel in the crown of the social security reforms, but is still claimed by less than half of all possible recipients. It is intended for people bringing up children on low wages.

The social fund was perhaps the most controversial part of the social security reforms in April 1988. It replaced the range of one off grants for things like furniture, cookers, and bedding available under the supplementary benefit scheme with loans, repayable from weekly benefit. Some discretionary grants remain, out of a tightly cash limited budget, to promote "community care." The fund also provides some grants as of right—for maternity needs, funerals, and cold weather.

Administration of the system

Most decisions about benefit entitlement are taken by a nominally independent adjudication officer, based on regulations passed by parliament. Except for the social fund, the officer has comparatively little discretion. When medical questions arise, as with invalidity benefit, evidence from a medical practitioner is required, which has to be weighed against any conflicting evidence by the adjudication officer. Claimants then have the right of appeal to an independent social security appeal tribunal, and from there to the social security commissioner, on a point of law.

"Disablement questions," as for mobility allowance or industrial injuries benefits, are dealt with by a medical board of usually two doctors and then on appeal to a medical appeal tribunal. Attendance allowance is operated rather differently, with most decisions being taken by a "delegated medical practitioner" appointed by the attendance allowance board. There is then a review process, with ultimately a right of appeal to the social security commissioner.

Neither housing benefit, community charge benefit, nor the social fund have independent appeal systems. All three rely on internal reviews, followed by further reviews by elected councillors (in the case of housing and community charge benefits) or an inspector (for social fund decisions). In any of these appeal or review processes, medical practitioners can play a vital role in providing supporting evidence, when appropriate, to strengthen a patient's case.

