

MEMO TO CABINET

The award of Widow's Special Allowance under the National Insurance Act is subject to two conditions -

- (a) that the husband has paid at least 156 contributions;
- (b) that the yearly average of contributions paid or credited from 1st February, 1965 to date of husband's death is not less than 35.

In most cases where the husband was in receipt of old age pension prior to 1st February, 1965, the second condition cannot be satisfied, since Class II (self-employed) and Class III (non-employed) contributions are not payable after pension age and very few old age pensioners continue to work as employed persons and to pay Class I contributions whilst they are in receipt of an old age pension. This runs counter to the accepted principle which led to the introduction of this new benefit in 1964, viz. a widow who does not qualify for a widow's pension because at the time of her husband's death she was -

- (a) under 50 years of age;
- (b) without children;
- (c) not permanently incapable of self-support

should be granted some financial help even though limited, from Insurance, if the husband had made substantial contribution towards the Scheme.

It is proposed to amend the Act to enable all widows whose husbands were at the time of their death in receipt of old age pension to qualify for a Widow's Special Allowance. The proposed amendment will not involve expenditure of public funds, and the effect on the National Insurance Fund will be negligible.

Honourable Ministers are invited to agree to the amendment.

DSS 42/67.

21 March, 1967.