

## The National Insurance Act - 1911

- The Liberal government wanted to help workers who became ill or unemployed.
- David Lloyd George was put in charge of introducing the act.
- Some insurance policies to help workers did exist, but many workers were unable to afford these.
- The Liberals realised they needed to help its people on humanitarian grounds and also to prevent people slipping back into poverty, as they were worried this would stop Britain from competing in industry.
- The National Insurance Act prevented them from relying on the Poor Law and falling into poverty.
- Workers didn't like the money for the Act being taken from their wages and the government had to use the slogan 'ninepence for fourpence' to convince them that the Act was a good thing to be a part of.
- The National Insurance Act was split into two parts: one to deal with health and another for unemployment.

National Insurance Act (Health)	National Insurance Act (Unemployment)
<ul style="list-style-type: none"><li>• All workers between sixteen and seventy who earned up to £160 had to join.</li><li>• The workers had to contribute 4d per week (directly from their wages), while employers paid 3d and the state 2d.</li><li>• Workers were entitled to free medical care and advice from a GP.</li><li>• Medical benefit of 10s (50p) per week for 13 weeks and then 5s (25p) for the following 13 weeks.</li><li>• Disability benefit of 5s (25p) a week.</li><li>• Maternity benefit of 30s (£1.50) on the birth of the child.</li><li>• The right to treatment of TB (tuberculosis) in a sanatorium (health facility)</li></ul>	<ul style="list-style-type: none"><li>• It dealt with those industries that experienced particular problems or cyclical/seasonal employment such as engineering, building, iron-founding, shipbuilding, saw milling (in total about 2.5 million workers).</li><li>• Workers contributed <math>2\frac{1}{2}</math>d (1p), employers <math>2\frac{1}{2}</math>d (1p) and the state 1.66d (0.7p).</li><li>• Workers were to receive 7 shillings (35p) per week for up to 15 weeks per year in the event of unemployment.</li><li>• Benefits were paid at the Labour Exchange.</li><li>• The worker received a stamp on his insurance card to prove his eligibility for benefits.</li></ul>
<ul style="list-style-type: none"><li>• However the Act was not popular with everybody. Domestic servants were covered by the Act and both they and their employers disliked having to contribute towards the Act (servants as it came out of their low wages and the employers who had to pay extra, some employers were even arrested for refusing to pay!)</li><li>• By 1913, 2.3 million people were insured under the scheme for unemployment benefit.</li><li>• 15 million people were insured for sickness, including 4 million women.</li><li>• For many years after the passing of the act, people who were off work would claim they were 'on the Lloyd George.'</li></ul>	