

# STATES OF JERSEY



## MINI-BUDGET 2022 (P.80/2022): FIFTH AMENDMENT

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Lodged au Greffe on 30th August 2022  
by Deputy C.D. Curtis of St. Helier Central  
Earliest date for debate: 13th September 2022

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STATES GREFFE

MINI-BUDGET 2022 (P.80/2022) – FIFTH AMENDMENT

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**1 PAGE 2, PARAGRAPH (b) –**

For the words “31st December 2022” substitute the words “31st March 2023”.

DEPUTY C.D. CURTIS OF ST. HELIER CENTRAL

**Note:** After this amendment, the proposition would read as follows –

**THE STATES are asked to decide whether they are of opinion –**

to agree that the following actions should be taken to address cost of living concerns –

- (a) increasing the personal income tax thresholds and allowances by 12% above the 2022 thresholds and allowances, in accordance with the Table in Appendix 2 of the report accompanying the proposition, to take effect for the year of assessment 2023;
- (b) temporarily reducing by 2 percentage points Class 1 and 2 social security contributions for the period 1st October 2022 to **31st March 2023**, comprising a reduction, in respect of earnings below the standard earnings limit (SEL), from 6% to 4% for the Class 1 employee contribution rate, and from 12.5% to 10.5% for the Class 2 contribution rate;
- (c) doubling the value of the Community Costs Bonus for 2022 by increasing the value of the bonus from £258.25 to £516.50.
- (d) setting a fixed value at £70 per month for the Cold Weather Bonus and Cold Weather Payments, regardless of temperature, for the winter months (October 2022 to March 2023 inclusive); and
- (e) postponing the commencement of the obligation for offshore retailers to register under the Goods and Services Tax (Jersey) Law 2007 from 1st January 2023 to 1st July 2023.”

**REPORT**

## **REPORT**

The proposed temporary reduction in social security contributions will end at the most expensive time of year. January is the time of year when households are more likely to have overspent and get into debt. The increasing cost of heating will also make January, February and March a more expensive time than spring and summer.

There is already a huge strain on households to manage living costs, as identified in the mini budget. Many working households, especially those with children, will be paying a very low rate of tax or no tax, so will not necessarily benefit from the tax threshold changes, and it will be a hardship for them to have an increase in their social security contributions immediately after Christmas.

### **Financial and manpower implications**

The amendment will result in an estimated reduction contribution income to the Social Security Fund by £9 million in 2022 and £9 million in 2023 with possibly additional minor administrative costs in addition to the original figure of £15,000 for associated system costs as stated in point 22 of the report to P.80/2022.