

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

**ANSWER TO BE TABLED ON TUESDAY 4th DECEMBER 2007**

**Question**

- (a) Will the Minister estimate how many households/individuals fall into the 'gap' identified between Income Support and Income Tax thresholds and who will be able to receive the type of special payment announced in the Assembly at the last meeting?
- (b) Will the Minister explain when and how such numbers were identified and when and how the sums of money required were calculated?
- (c) Will the Minister advise members how this policy 'creates and supports independence' in line with the first key principle of the Social Policy Framework and is not simply a 'quick fix' which is identified as a fault of current social policy in the Framework?

**Answer**

- (a) It is not possible to accurately estimate at present how many households will neither receive income support nor pay income tax. Indications are, however, that it is likely to be less than half a household income quintile i.e. less than 3,500 households. A detailed scheme is being developed, including the criteria to receive the special payment. This scheme will be brought to the Assembly for approval.
- (b) As stated above, such numbers have not been accurately identified as yet, but based on it being less than the 3,500 households the sum of money required for the refunds could be in the region of £300,000.
- (c) The prime purpose of this policy was to avoid a tax giveaway of over £2m to the highest earners in society, incur more than £0.5m in administration, and increase businesses costs and complexity, in order to provide only £300,000 in benefit to some of the less well off, through the zero rating of food. Accordingly its prime purpose was not to 'create and support independence'. Its purpose was simply to provide a simpler and fairer solution to the effect of imposing GST on food on the same basis as the U.K.