

STATES OF JERSEY



HOUSING RENT SUBSIDY SCHEME: DISREGARD TO LONG-TERM INCAPACITY ALLOWANCE (P.6/2005) – COMMENTS

**Presented to the States on 1st March 2005
by the Employment and Social Security Committee**

STATES GREFFE

COMMENTS

All benefits under the Social Security (Jersey) Law 1974 are benefits derived from employment through the payment of Social Security Contributions. All are insurable benefits, and are not benefits or allowances that assist with the extra cost of disability which are provided for through various Non-Contributory Benefits.

Changes to the Incapacity Benefit system under the Social Security (Jersey) Law 1974 were introduced from 1st October 2004. The new system of Short Term Incapacity Allowance, Long Term Incapacity Allowance and Incapacity Pension replaced Sickness Benefit, Injury Benefit, Invalidity Benefit and Disablement Benefit. This change removed a basic inequity where people suffering from essentially the same condition were treated differently purely because their clinical condition had been caused by an illness rather than an accident. As a result of this inequity some people, who might have been able, were discouraged from attempting to enter the labour market for fear of losing all their benefit.

The Committee note that the States have previously approved changes to the Housing Benefit system which resulted in the old Incapacity and Disablement Benefits being fully regarded in the assessment. In effect, the new Long Term Incapacity Allowance mirrors the old Disablement Benefit which did not attract a disregard.