

# STATES OF JERSEY

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## **DRAFT CHRISTMAS BONUS (AMENDMENT No. 2) (JERSEY) LAW 200**

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**Lodged au Greffe on 13th April 2004  
by the Employment and Social Security Committee**

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**STATES GREFFE**





Jersey

**DRAFT CHRISTMAS BONUS (AMENDMENT No. 2) (JERSEY)  
LAW 200**

**European Convention on Human Rights**

The President of the Employment and Social Security Committee has made the following statement –

In the view of the Employment and Social Security Committee the provisions of the Draft Christmas Bonus (Amendment No. 2) (Jersey) Law 200 are compatible with the Convention Rights.

(Signed) **Senator P.F. Routier**

## REPORT

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The ability of the Employment and Social Security Committee to pay a Christmas Bonus is governed by a small piece of legislation, the Christmas Bonus (Jersey) Law 1991. Prior to 1991, a Christmas Bonus was paid through triennial Regulations. The current Law, for example, has no subordinate legislation attached to it, and so even minor changes to the scheme involve amendments to primary legislation.

Christmas Bonus is a non-contributory benefit but eligibility is linked to the receipt of existing benefits (contributory and non-contributory). The scheme is totally funded from General Revenues and there is no income bar or means test like other non-contributory benefits. The Employment and Social Security Committee is resolved to target general revenue benefits to those most in need, and as with other benefits, including those for people with disabilities, it believes that an income bar should be introduced. The current legislation does not allow for this, and so one of the amendments to the Law is to give power to the Committee to set an income bar through Regulations. Other methods of targeting were reviewed by the Committee but the income bar was considered to be the most appropriate and least costly method of administering a targeted benefit consisting of a one-off annual grant.

The Committee is not proposing the actual levels of the income bar at this time. This will be done if the States agree in principle to the introduction of the income bar and after more analysis of the Income Distribution data to determine the appropriate level. At this stage however, the Committee propose that there should be 2 levels: one for a lone householder and a higher income bar for couples.

A second amendment is also being proposed by the Committee in relation to the amount of the allowance and, importantly, how the benefit is increased each year. At present the bonus rate is automatically increased each year by the mid-point between the Earnings and Cost of Living indices and so there is no mechanism to vary the rate of the allowance, up or down, to cover specific hardship for example.

In 2003 there were 17,763 Christmas Bonus beneficiaries, the majority of which were pensioners, with payments totalling £1.255 million.

The financial implications are a net saving of £300,000, and an additional 0.75 F.T.E. to administer (being 3 additional full-time posts for 3 months of the year).

### **European Convention on Human Rights**

Article 16 of the Human Rights (Jersey) Law 2000 will, when brought into force by Act of the States, require the Committee in charge of a Projet de Loi to make a statement about the compatibility of the provisions of the Projet with the Convention rights (as defined by Article 1 of the Law). Although the Human Rights (Jersey) Law 2000 is not yet in force, on 11th March 2004 the Employment and Social Security Committee made the following statement before Second Reading of this projet in the States Assembly –

In the view of the Employment and Social Security Committee the provisions of the Draft Christmas Bonus (Amendment No. 2) (Jersey) Law 200 are compatible with the Convention Rights.

### **Comments**

The Finance and Economics Committee supports the proposed Amendment as it is in accordance with the decisions taken within the 2004 Fundamental Spending Review process and subsequently endorsed by the States within the agreed 2004 Budget debate. The Committee supports the proposal as it is consistent with the policy of directing scarce resources towards those in most need in the Island.

The Committee also notes that additional manpower is required for the increased administration of the income bar. The Finance and Economics Committee would expect this manpower requirement to be found from the existing seasonal staffing arrangement of the Employment and Social Security Committee.

## Explanatory Note

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This Law amends the Christmas Bonus (Jersey) Law 1991 (the “principal Law”).

*Article 1* is the interpretation provision.

*Article 2* deletes 2 definitions consequentially upon the substitution of Article 3 of the principal Law.

*Article 3* inserts Article 2A in the principal Law. Article 2A provides that a person whose income exceeds an amount specified in Regulations made by the States is not entitled to the Christmas bonus.

*Article 4* substitutes Article 3 of the principal Law. Currently Article 3 of the principal Law provides a formula for the amount of the Christmas bonus to be increased automatically each year by reference to the percentage rises in the Jersey Cost of Living Index and the Jersey Index of Earnings, although Article 8 empowers the States to alter the amount of the Christmas bonus by Regulations. The substituted Article 3 removes the provision for automatic increase and provides instead for the amount of the bonus simply to be set by Regulations made by the States.

*Article 5* substitutes Article 8 of the principal Law consequentially upon the substitution of Article 3 as the power for the States to alter the amount of Christmas bonus currently in Article 8 will be replaced by the power for the States to set the amount of Christmas bonus under Article 3.

*Article 6* amends the Schedule to the principal Law, where qualifying benefits are described, to reflect the replacement, under the Social Security (Jersey) Law 1974 of widow’s allowance, widowed mother’s or father’s allowance and widow’s pension by survivor’s allowance and survivor’s pension.

*Article 7* repeals an amending Law which is superseded by this Law.

*Article 8* cites the short title of the Law and provides for it to come into force 7 days after it is registered.





Jersey

# DRAFT CHRISTMAS BONUS (AMENDMENT No. 2) (JERSEY) LAW 200

## Arrangement

### Article

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| <u>1</u> | <u>Interpretation</u>            |
| <u>2</u> | <u>Article 1 amended</u>         |
| <u>3</u> | <u>Article 2A inserted</u>       |
| <u>4</u> | <u>Article 3 substituted</u>     |
| <u>5</u> | <u>Article 8 substituted</u>     |
| <u>6</u> | <u>Schedule amended</u>          |
| <u>7</u> | <u>Repeal</u>                    |
| <u>8</u> | <u>Citation and commencement</u> |







Jersey

## DRAFT CHRISTMAS BONUS (AMENDMENT No. 2) (JERSEY) LAW 200

A LAW to amend further the Christmas Bonus (Jersey) Law 1991.<sup>[1]</sup>

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*Adopted by the States* [date to be inserted]

*Sanctioned by Order of Her Majesty in Council* [date to be inserted]

*Registered by the Royal Court* [date to be inserted]

**THE STATES**, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law –

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### 1 Interpretation

In this Law “principal Law” means the Christmas Bonus (Jersey) Law 1991.<sup>[2]</sup>

### 2 Article 1 amended

In Article 1(1) of the principal Law,<sup>[3]</sup> the definitions “the Jersey Cost of Living Index” and “the Jersey Index of Earnings” shall be deleted.

### 3 Article 2A inserted

After Article 2 of the principal Law<sup>[4]</sup> there shall be inserted the following Article –

#### “2A Maximum income level

- (1) A person whose income exceeds the maximum income level shall not be entitled to the Christmas bonus.
- (2) The States may by Regulations specify, in any case, the maximum income level for the purposes of paragraph (1) and the manner in which a person’s income is to be determined.”.

### 4 Article 3 substituted

For Article 3 of the principal Law<sup>[5]</sup> there shall be substituted the following Article –

#### “3 Amount of bonus

The Christmas bonus shall be such amount as is specified in Regulations made by the States.”.

**5 Article 8 substituted**

For Article 8 of the principal Law<sup>[6]</sup> there shall be substituted the following Article –

**“8 Power to amend Schedule**

The States may by Regulations amend the Schedule to this Law.”.

**6 Schedule amended**

In the Schedule to the principal Law<sup>[7]</sup> for the words “a widow’s allowance, a widowed mother’s allowance, a widowed father’s allowance, a widow’s pension,” there shall be substituted the words “a survivor’s allowance, a survivor’s pension,”.

**7 Repeal**

The Christmas Bonus (Amendment) (Jersey) Law 1991<sup>[8]</sup> shall be repealed.

**8 Citation and commencement**

This Law may be cited as the Christmas Bonus (Amendment No. 2) (Jersey) Law 2000 and shall come into force on such day as the States by Act appoint.

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[1] *Volume 1990-1991, pages 393 and 441.*

[2] *Volume 1990-1991, pages 393 and 441.*

[3] *Volume 1990-1991, page 396.*

[4] *Volume 1990-1991, page 396.*

[5] *Volume 1990-1991, pages 396 and 441.*

[6] *Volume 1990-1991, page 399.*

[7] *Volume 1990-1991, page 400.*

[8] *Volume 1990-1991, page 441.*