

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 17th JUNE 2014**

**Question**

Can the Minister explain why, following the closure of Just Glass & Windows with associated redundancies at the beginning of May, there has still been no payment of statutory redundancy pay or insolvency benefit for the workers concerned and state what action will he take to ensure that these ex-employees receive appropriate support in the immediate future? Since the system introduced in 2009 was intended to deliver support promptly following redundancies, does the Minister consider that the scheme is correctly set up and, if not, will he address its faults, if any?

**Answer**

The payment of statutory redundancy pay is the responsibility of the employer.

Insolvency benefit was introduced on 1st December 2012 under the Social Security (Jersey) Law 1974. For a person to qualify to receive insolvency benefit their former employer must be “bankrupt”. This means that the employer must have gone into administration, liquidation or receivership in Jersey or elsewhere, or entered in Jersey or elsewhere into an arrangement with the employer’s creditors. In the case of Just Glass & Windows Ltd, the Company has ceased trading but none of these things has yet happened.

Where an employer has ceased trading but is not insolvent, the former employees have recourse to the Jersey Employment Tribunal and to the Courts for amounts that are owed to them. Any former employee of Just Glass & Windows Ltd who is suffering from financial hardship and who meets the qualifying conditions for Income Support may put in a claim for this benefit. Social Security Officers have been directed to give immediate attention to any such claims from these former employees as well as to respond immediately to any requests for assistance with job seeking.

Discretion is not available to pay insolvency benefit where there is not an insolvency situation. In other jurisdictions, legal and formal insolvency proceedings must generally be instituted before any payments are considered. In the UK, if the employer is not insolvent and owes money to employees, the Insolvency Service cannot help.

The Minister is satisfied that the scheme is operating effectively and providing the support that was intended in insolvency situations. During 2013, the Department paid out over £1 million in relation to insolvency benefit and the benefit supported 156 individuals who were made redundant due to the insolvency of their employer.