

**2.10 Senator B.E. Shenton of the Minister for Treasury and Resources regarding the current fiscal strategy, and the “20 means 20” proposals in particular:**

Would the Minister inform Members whether the current fiscal strategy, and the “20 means 20” proposals in particular, are consistent with the requirement for a prudent government to encourage the working population to save a proportion of their income in order that they build up a personal strategic reserve and also fund their retirement?

**Senator T.A. Le Sueur (The Minister for Treasury and Resources):**

Making adequate provision for pensions and savings is a complex subject. The present Jersey tax system supports pension provision, primarily by allowing tax relief for contributions to approved pension schemes. However, it also acknowledges that many people provide for retirement through the value of their property and tax relief continues to be available for interest on the first £300,000 of mortgages. Others make provisions through life insurance cover. Although interest income is taxable, any capital appreciation is not taxed, allowing investments to be held for long-term benefit. I can confirm that the existing tax relief for contributions to approved pension schemes would continue under the current “20 means 20” proposals and, indeed, under revised proposals, which I shall be publishing shortly. The fiscal strategy is fundamental to securing the economic future of the Island. I would remind the Senator that without good jobs savings become very difficult indeed.

**2.10.1 Senator B.E. Shenton:**

The Minister is looking at taking more money out of people to fund university provision for their children, yet there are no incentives to save for this. Under “20 means 20”, life assurance relief - I think - will be removed. The Minister likes to convey himself as a safe pair of hands. Would he not agree that perhaps a pickpocket would be a better description?

**Senator T.A. Le Sueur:**

Pickpockets, Sir, work under cover. I am being perfectly open in what proposals we are putting forward. I suggest that the Senator and Members wait to see what the revised “20 means 20” proposals show when they are published in a few days’ time.

**2.10.2 Deputy A.D. Lewis of St. John:**

Would the Minister consider that it would not have been perhaps better to have capped the level of investment that can be made into an insurance scheme linked to a savings plan for the purpose of encouraging ordinary people to save, rather than to disallow tax relief altogether? Would he give this consideration with the review of the “20 means 20” package?

**Senator T.A. Le Sueur:**

I think we need to understand, Sir, that the purpose of “20 means 20” was to allow for a greater proportion of tax to be payable by those on higher net disposable incomes. There are other strands of fiscal strategy which may need to be addressed in the future, including matters such as the Deputy of St. John raises. But this is primarily a

matter for generating a further £10 million from those people with higher disposable incomes.

**2.10.3 Deputy G.P. Southern:**

Will the Minister inform the House whether or not his new “20 means 20” proposals will impact upon a working professional couple earning around, say, £80,000, as the previous “20 means 20” would? At this very moment, should they have a child in higher education, they would be paying out at least £11,500 plus maintenance in order to support that child.

**Senator T.A. Le Sueur:**

I am not going to leak any details of proposals I am going to bring forward in a few days’ time, Sir. The Deputy can wait until they are published and he and other Members will have a full opportunity to consider them and see the effect that they may have on any particular household.

**2.10.4 The Deputy of St. John:**

Was the Minister aware that some people use the insurance and saving plans method to help them plan and fund university fees?

**Senator T.A. Le Sueur:**

Yes, Sir.