

# STATES OF JERSEY



## **GOVERNMENT PLAN 2020–2023 (P.71/2019): SIXTEENTH AMENDMENT (P.71/2019 Amd.(16)) – AMENDMENT (P.71/2019 Amd.(16)Amd.) – COMMENTS**

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**Presented to the States on 22nd November 2019  
by the Council of Ministers**

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**STATES GREFFE**

## COMMENTS

Senator S.Y. Mézec proposes the following in [P.71/2019 Amd.\(16\)Amd.](#) –

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For “£11,500,000” substitute “£6,500,000”, and after “0.5%” add the words “and abolishing the cap”.

### **The Council of Ministers opposes this proposal and urges States Members to reject the amendment.**

This amendment to [P.71/2019 Amd.\(16\)](#) would remove the upper income limit from Long-Term Care (“LTC”) contributions from 1st January 2020, in addition to the Corporate Services Scrutiny Panel’s proposal to increase the LTC contribution rate to 1.5%.

Removing the upper income limit would result in a very significant increase to the LTC contributions payable by higher-income-earners, and will lead to Jersey becoming less competitive in attracting and retaining highly-skilled and wealthy people who make an important contribution to our society and economy, including their contribution to the Government’s overall income.

The amendment states that removing the upper income limit at an LTC contribution rate of 1.5% will raise £6 million a year. This assumes that the people with very high incomes will not take any steps to reduce the amount of contributions that they pay.