

STATES OF JERSEY



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

Lodged au Greffe on 13th November 2019
by Senator S.Y. Mézec

STATES GREFFE

GOVERNMENT PLAN 2020–2023 (P.71/2019): SIXTEENTH AMENDMENT
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For “£11,500,000” substitute “£6,500,000”, and after “0.5%” add the words “and abolishing the cap”.

SENATOR S.Y. MÉZEC

Note: After this amendment, the sixteenth amendment would read as follows –

PAGE 2, PARAGRAPH (h) –

After the words “to the Report” insert the words “, except that, in Summary Table 8(iii), the income in the line entitled “Proposed changes to Long-Term Care Charge” shall be reduced by £6,500,000 by reducing the proposed increase in contributions to the Long-Term Care Charge to 0.5% and abolishing the cap, with other affected lines in Summary Table 8(ii) to be updated accordingly”.

REPORT

As with the [twenty-first amendment](#) to the [Government Plan 2020–2023](#), this amendment changes the Corporate Services Scrutiny Panel’s [proposal](#) so that it no longer includes an upper earnings cap, which makes the Long-Term Care (“LTC”) Charge regressive.

The revenue raised is broken down as follows –

	£m
LTC +0.5% rate to current upper income limit	11.1
LTC +1.5% rate from current upper income limit to no limit	<u>6.2</u>
	<u>17.3</u>

With this extra revenue raised, it would delay the moment that the LTC Charge would have to be raised again to maintain the LTC Fund, thereby protecting Islanders from further increases in tax.

Financial and manpower implications

Increasing the rate of the LTC Charge to 1.5% and abolishing the cap would see the income for the LTC Fund increase by £17.3 million from the current position.

This would be a reduction of £6.5 million when compared to the Government Plan position.