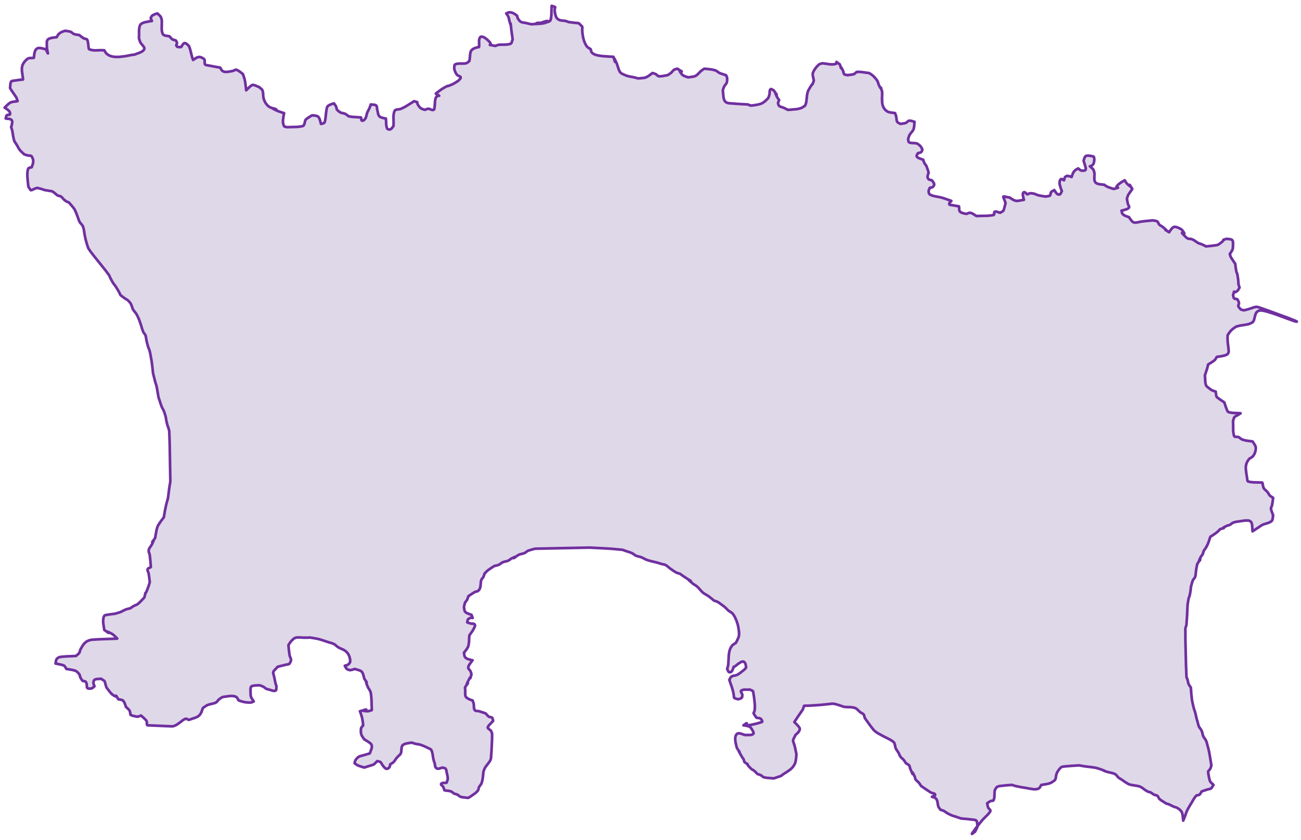

Minister's Report
2017

Social Security Department

R.109/2018

Social Security Department

MINISTER
Judy Martin
Deputy of St. Helier No. 1

ASSISTANT MINISTER
Geoffrey Southern
Deputy of St. Helier No. 2

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Jeremy Maçon
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CHIEF OFFICER
Ian Burns

Presented to the States by the Minister for Social Security.

Contents

Section 1 – Minister's Report

Minister's Foreword

This report reflects the wide range of benefits and services provided by the Social Security Department and provides a comprehensive view of activities undertaken during 2017.

During that period, Deputy Susie Pinel was the Minister for Social Security and I would like to acknowledge the achievements of Deputy Pinel and her Assistant Minister, Deputy Graham Truscott over their term of office.

I would also like to record my thanks to the Chief Officer, Ian Burns, and to the officers at Social Security for all their hard work during 2017.

Following the general election, I was appointed as the Minister for Social Security in June 2018 and I look forward to working with my Assistant Ministers, Deputy Geoff Southern and Deputy Jeremy Maçon over the next four years across this broad range of responsibilities.

Deputy Judy Martin

Minister

Social Security – Our strategic aims

- to help people to achieve and maintain financial independence;
- to provide well-targeted social benefits and support to those unable to fully support themselves;
- To deliver excellent customer services.

In 2017, we were responsible for:-

- A compulsory, contributory Social Security insurance scheme that receives contributions from employers, employees and general tax revenues. This scheme is most closely associated with the payment of pensions, but it also provides contributors with many benefits throughout life by offering support from Maternity Allowances through to Death Grants.
- A compulsory, contributory Health Insurance Scheme that receives contributions from employers and employees. This scheme subsidises GP consultation fees and pays for prescriptions issued by GPs and dentists. It also meets the cost of specific primary care services delivered through community pharmacies and general practices.
- A compulsory, contributory Long-Term Care scheme that receives contributions from individuals and general tax revenues. The scheme provides a range of benefits for adults with long-term care needs.
- Non-contributory means-tested benefits including Income Support. These are funded from general tax revenues and provide targeted support for lower income households.
- Back to Work services which help people into work and support adults with barriers to employment to obtain and maintain paid work. The Department funds the Jersey Employment Trust (JET) to provide specialist employment advice, training and support for those with a disability or long-term health condition.
- Employment legislation, which sets out minimum standards for good employment relations and protection in the workplace. The Department funds the Jersey Advisory and Conciliation Service (JACS) to provide advice, training and conciliation.
- Health and Safety legislation providing a legal framework which sets out the duties of employers and employees to observe health, safety and welfare at work, as well as the Health and Safety Inspectorate which provides proactive advice to employers and undertakes investigations when things go wrong.
- Discrimination legislation that ensures people are not treated unfairly due to their race, age, sex, sexual orientation, gender reassignment, pregnancy or maternity. The Department funds the Jersey Advisory and Conciliation Service (JACS) and the Citizens' Advice Jersey to provide advice, training, conciliation and mediation.
- The maintenance of the Names and Addresses Register and the registration of individuals and businesses under the Control of Housing and Work Law on behalf of the Chief Minister.
- The maintenance of the Affordable Housing Gateway on behalf of the Housing Minister.

Executive summary

2017 was another productive year for the team at Social Security. The breadth of the work undertaken by the teams at Social Security means that we have over a thousand customer contacts every working day, whether these are face to face, by letter, over the phone or online.

Most of our day to day work involves providing our existing services, making sure that all contact with the department is friendly, prompt and accessible and acting on customer feedback. We were delighted to win the Public Sector category of the Jersey Customer Service Awards in 2017 for the fifth year running.

This report summarises departmental activity over the benefits and services provided. During 2018 much of this data will also be published and kept up to date on the opendata.gov.je website.

Table 1 summarises the activities of the Department in 2017.

Benefits Administered by the Department	2017 spend £ million	Supporting
Old Age Pensions	179.4	*31,880 pensioners*
Income Support	68.9	*5,763 households*
Long-Term Care	44.6	*1,335 claimants*
Long-term Incapacity Allowance & Invalidity Benefit	22.2	*4,686 claims*
Pharmaceutical Benefit *(cost of drugs and dispensing)*	19.8	*2.0 million items prescribed*
Short Term Incapacity Allowance	13.8	*501,616 days paid*
Medical Benefits and Jersey Quality Improvement Framework *(GP services)*	9.5	*338,494 consultations*
Survivor's Benefits	4.2	*744 claimants*
Maternity Benefits	3.2	*999 parents*
Home Carer's Allowance	2.0	*176 carers*
Christmas Bonus	0.3	*3,927 claimants*
Death Grant	0.6	*790 grants*
Food Costs Bonus	0.3	*1,189 households*
Pension Plus	0.5	*5,777 claims*
Gluten Free vouchers	0.5	*702 claimants*
TV Licence Benefit	0.3	*1,730 claimants*
HIF Primary Care Contracts (Flu vaccinations)	0.3	*16,243 vaccinations*
Other Benefits *(Less than £250,000)*	0.5	
Actively Seeking Work		*2,842 individuals*
Health & Safety Activity		*4,100 enquiries*
Business Licensing Applications		*3,578 applications*
Control of Housing and Work Registrations		*2,885 newly registered individuals*
Jersey Advisory and Conciliation Service		*9,927 customer enquiries*
Total	**370.9**	

Table 1: Summary of 2017 spend on benefits administered by the Department.

Helping customers toward financial independence

At the end of 2017, the number of people actively seeking work had reduced to 950, from a peak in 2013 of over 2000. This encouraging statistic is accompanied by record numbers of workers in employment and a reducing need for income support benefits.

Back to Work continued to offer a range of support to jobseekers, particularly those who are long-term unemployed or under 25 years old. This support includes different employment incentives designed to promote job opportunities in key industries, the expansion of the Foundations programme to include unpaid placements and the re-launching of the Long Term Unemployed scheme.

A pilot project 'Get Ahead' was set up in 2017 to support customers on income support move towards, achieve and maintain financial independence. Advisors work directly with customers to:

- Increase their income through pay rises or new jobs
- Improve their career prospects through training/development/coaching
- Manage their money better to move them out of the 'Just About Managing' bracket
- Increase their overall confidence and skills in relation to their finances and career

Helping customers with health costs

The new Pension Plus scheme was launched in January 2017 to deliver support for pensioners on lower incomes to assist with dentistry, chiropody and optical costs. It replaced the previous 65+ Health Plan and the value of benefits payable under the scheme was increased. The new scheme covers:

- Dentistry - £40 towards a check-up each year and up to £700 towards treatment/dentures every two years.
- Chiropody – up to £120 per year.
- Optical - £40 towards an eye test every two years and up to £120 towards eye wear every two years.

The new scheme also removes the burden of the customer having to pay their bill in full and then submit the receipt to get a rebate. Under the new scheme, the customer receives the full value of their benefit at the time of payment.

Pensioners and others have also benefited this year from an improvement in the provision of flu vaccines. Social Security worked closely with the Health and Social Services Department, GPs and community pharmacists to redesign the way flu vaccinations are delivered to people vulnerable to the effects of flu. In the past, vaccination coverage rates were poor in Jersey and the General Hospital suffered additional winter pressures due to flu admissions. The new 'flu plan' made improvements by targeting vaccinations at the groups who need them, and making it easier for Islanders to access vaccinations. To achieve this Social Security contracted with GPs and pharmacists to provide the vaccination and subsidised the cost of the service for target groups who are most vulnerable to the effects of flu. Islanders were able to drop into pharmacy for their vaccination – with many reporting they found this more convenient. Data shows that our coverage improved, with more vulnerable islanders receiving the vaccination than in previous years.

On the 1st July, the new Flexible Personal Care component was launched for Income Support customers who need a formal care package but do not have care needs that would be covered by the Long Term Care Benefit. The benefit pays towards a care package set up by a care professional or social worker and is paid directly to their care provider. If any customer needs additional help with activities that are an essential part of daily living, they can request a care needs assessment from the Health and Social Services Department and potentially transition onto Long Term Care.

Protection against discrimination

The discrimination law has now been in force in Jersey since September 2014 and provides protection from race, age and sex discrimination. The original decision of the States also required protection against disability discrimination. This characteristic is more complicated than the preceding ones and careful preparation was undertaken during the year before the draft disability discrimination regulations were published for consultation in September. Stakeholders had the opportunity to discuss the regulations at public meetings and accessible versions of the consultation were provided, including versions in large/plain print and sign language. The consultation process led to some useful amendments to the regulations which were finalised and approved in early 2018. These regulations will be phased in between 2018 and 2020.

Extending the rights of employees

The minimum wage is reviewed each year and in April 2017 it increased to £7.18 per hour. The Employment Forum conducted its review over the summer months and recommended a rate of £7.50 per hour for April 2018 and this rate has been endorsed by the States Assembly. This is an increase of 4.5% which is the largest increase since 2008.

Employment protection for Armed Forces Reservists was introduced on 1 April 2017 (having been approved by the States Assembly in 2016), which gives reservists protection against detriment and dismissal and the right to return to the same (or equivalent) job following the completion of a period of reserve service. These rights are vital to encourage sufficient numbers of people with all types of skills and backgrounds to commit to reserve service. In addition, since 1 April, employees have the right to claim up to 4 weeks' pay as compensation for any breaches of their statutory rights in relation to written terms of employment, uninterrupted rest days and pay slips.

The Employment Forum also undertook a review of family friendly employment rights during 2017 to consider extending the basic rights that were established in 2015. The Forum launched a public consultation and held a series of meetings with stakeholders. The consultation received considerable interest and a recommendation to the Minister was published by the Forum in December. The Forum recommended significant changes to family friendly employment rights to be implemented over a two-year period from 2018-2020. In early 2018, the States Assembly endorsed the first phase of the recommendations which will come into force in September 2018. If approved by States Members, the second phase will be fully in place in September 2019.

Delivering excellent customer services

In 2017, for the fifth year running, a member of staff working in Social Security won the Public Sector category at the Jersey Customer Service Awards in recognition of their excellent customer service.

On 22nd June over sixty stakeholders from third sector, organisations and colleagues from across the States of Jersey attended our annual Income Support information event at the Salvation Army headquarters. These sessions work as a way of explaining the core concepts of Jersey's low-income benefit system to any partners who may have mutual clients, or who just have a working interest in the help available to qualified households in Jersey. The event is run as an interactive format, starting with a short introduction then the attendees rotate through a number of smaller discussion groups dedicated to specific areas of the benefit. These include accommodation, medical benefits (impairment,) job seeking and parents / children / maintenance. This enables general questions to be answered by experts in the individual areas of the benefit, as well as offering the opportunity to network with colleagues from different organisations in the Island. The events are very well received with excellent feedback and are improving understanding of the benefits system to States colleagues and external organisations who come into contact with Social Security. In addition, there were a number of follow-up sessions delivered to individual charities and teams as a result of this session.

Social Security is committed to moving more services online, in order to improve customer access services and to increase efficiency within the States of Jersey. In 2017, a number of online forms were developed. For example, Income Support claimants who are working can now provide their wage information through an online form, saving the customer time and helping the Department to process claims more efficiently.

The Department uses Lean techniques to review operational processes and improve customer service. Projects included the customer-focussed design of new online service processes, improving the efficiency of scanning documents submitted by customers, and streamlining the way that the Income Support clinical costs process operates – among many others. A major project was also initiated to improve the design and processing of sickness certificates.

Providing value for the tax payer

At the year end the Department employed the equivalent of 222.2 full time employees. This is a decrease of 7.4 (3.2%) from 2016. Whilst there have been reductions realised through the Voluntary Release scheme, there are also a number of vacancies open within the Department.

The Department is 3 years into a 5 year programme of £3.5 million of savings. These savings must be recurring and delivered for a full year, and so the Department has worked hard to generate as many savings as possible in advance – this will necessarily generate some underspends in staff and administration in the earlier period. The Department has been managing its budget prudently to ensure it has the agility to react to unexpected funding pressures, such as any shortfall in Population Office fees below the increased levels set by the States in the MTFP, and the potential resource implications of supporting corporate initiatives such as eGov.

The phased implementation of SSD's management information platform continued during the year with Health Zone and Back to Work areas completed. Significant improvements in the Department's ability to access, analyse and act on data held in its business systems are now being achieved.

The current Treasury and Resources Department tax business system is being replaced with a new Revenue Management System (RMS) which will be able to process both tax receipts and social security contributions. The current processes for collecting taxes and contributions can be difficult to understand for businesses and are not joined-up with some customers having to engage with two departments. There is also duplication of effort by the separate departments.

It is planned to move the collection of contributions into the new tax system in 2020. The outcomes of the new system will include:

- Services designed around customer needs
- Transparent easy to understand process
- Modern risk based approach to collecting and administering taxes and contributions
- Efficient use of resources
- Collaborative working

Benefit fraud only represents a small proportion of the Department's overall costs, but it's an area where Social Security continues to pursue improvements and to prosecute offenders. Last year improvements in the On-line Fraud Referral Form improved the quality of information sourced at the first point of capture, reducing rejection rate from 33% in 2016 to 18% in 2017. A total of 712 cases were graded through the UK National Intelligence Model. People who attempt to defraud the Department create costs for the taxpayer and make life difficult for the overwhelming majority of genuine benefit claimants, and so the fraud team focus on uncovering fraud before it starts working with benefit teams. Much of the work of the dedicated fraud team goes on behind the scenes, with interventions that address overpayments and recover money back before expensive court cases are needed.

However, the Department will always aim to bring a prosecution when a significant amount of money is involved. As a last resort, serious offences can result in a custodial sentence.

Planning ahead

In January 2017, the three-year actuarial review of the Social Security Fund was published. This confirmed the strong position of the Fund and its accompanying Reserve Fund. Contribution income has exceeded expectations over the last three year period, principally due to ongoing levels of immigration, and investment returns which have been very positive. At the end of the year, the total assets of the Fund stood at nearly £1.8 billion.

However, despite reporting on a currently healthy Reserve Fund, the actuarial review also clearly demonstrates the need for the ongoing major review of the Social Security scheme. The number of people aged 65 and above is due to rise by 65% between 2015 and 2035. Even with an increase in state pension age, the extra annual cost to be met in pension payments by 2035 is roughly £100 million (in 2015 prices).

Acknowledging these future challenges, the Department is undertaking a major review of the Social Security Scheme. The first part of the scheme review was a public consultation during 2016 and these results were published in May 2017. That consultation had over 1,300 replies and there was clear support for the old age pension to be maintained in its current form. There was little support for a means tested pension or for the value to be reduced in the future. Respondents understood the pressure that the cost of pensions will put on the Fund and agreed that savings could be made in other benefit areas and that contributions may need to rise. The consultation also explored how well prepared people were for supporting themselves financially in old age. Many people reported that they had made little or no provision for this and were supportive of the government providing extra support, perhaps through a compulsory workplace pension scheme.

At the end of September 2017 a second consultation was issued, this time focusing on parental and bereavement benefits. These benefits were designed in the 1970s and there have been major changes to society since then. This consultation took advantage of modern technology and included a survey run through Facebook. Over 2,600 people gave their views, which were published in March 2018.

Sustainable funding

The net asset value of all four ring-fenced funds at the end of 2017 was just over £1.97 billion, split across four main funds as indicated in Table 2. This build-up of reserves is a sensible approach to the provision of future pensions and benefits, particularly when considering the demographic changes that are on course to affect all economies in the developed world. Simply put, people are drawing pensions for longer as lifespans increase, whilst birth rates remain static, reducing the ratio of workers to pensioners and therefore adding to the pressure on the pension fund. Jersey is in a robust position that few other jurisdictions can match but, nevertheless, it is inevitable that these trends must be factored into our long-term planning.

A high level summary of the 2017 results for the four funds is shown in Table 2 below:

	Social Security Fund £ million	Social Security (Reserve) Fund £ million	Health Insurance Fund £ million	Long-Term Care Fund £ million
Income	245.4	192.5	39.2	51.1
Expenditure	230.8	-	31.9	45.9
Surplus / (Deficit)	14.6	192.5	7.3	5.1
Transfer to Social Security (Reserve) Fund[1]	(15.0)	15.0		
Net Assets at 31 December 2017	72.1	1,779.6	93.6	25.1

Table 2: Fund results for 2017.

Working with other departments

We also work closely with other departments across areas of joint interest.

The Social Security Department has operational responsibility for business licensing and housing control, with policy oversight remaining with the Chief Minister's Department. Officers work closely together to develop policy based on operational experience, and meet the ministerial Housing and Work Advisory Group on a regular basis to review cases, policy and operational impact. In 2017 fees under the Control of Housing and Work Law were increased in order to invest more in migration controls and skills development to support businesses. The fee changes included new annual fees for businesses employing registered staff and employment agencies placing registered staff, and a rise in the fees payable by contractors visiting Jersey.

The new measures will raise £600,000 per year which will be allocated:

- £300,000 to support additional investment in skills and training.
- £300,000 to support enhanced migration controls, including initiatives to remove permissions from businesses, and to support compliance activities.

During 2017, the Department worked closely with community and hospital pharmacists, GPs and the Health and Social Services Department on a pilot project to help patients leave hospital with the right medication and fully understand how to take it. The project provides clearer information to the patient and their GP as they leave hospital and a community pharmacist will help the patient after they have returned home, to understand their medication and check that they are taking it correctly and identify any issues they may have. Following development during 2017, this service was incorporated into the framework contract and was successfully launched in early 2018.

Towards the end of the year, officers from across States departments attended a workshop organised by the Department to consider the way in which the ageing population will affect the way that all public services are provided. The results of the workshop will be taken forward in 2018 alongside Future Jersey and considered as part of the preparation for the next Strategic Plan and Medium Term Financial Plan.

[1] The Social Security (Reserve) Fund is used to invest surpluses from the Social Security Fund for the future provision of pension benefits. A £15m transfer was made in 2017.

Snap shot of departmental activity in 2017

JanuaryNew Pension Plus scheme launched for lower income pensioners to support health costs (dentist, chiropody, optician) Family Friendly consultation - Forum issues review of family friendly employment rights. Actuarial review published (3 year review of social security fund shows fund in healthy state)	**February** Boost Boards launched in the department to recognise staff achievements against States of Jersey Values and behaviours Get Ahead pilot project launched to support customers achieve financial independence
March Back to the Floor launched, for Directors and Managers to understand challenges of day to day work. Updates to web pages started.	**April** Minimum wage rate increased to £7.18 per hour LTC benefit rates increased by 2.67%, supporting people in care homes and receiving care at home.
May SSF review part 1 published - results of 2016 public consultation show support for old age pension. Your Voice Temperature check - mini staff survey to capture trends since last annual survey.	**June** Forum start to look at minimum wage rates for 2018 with public consultation Income Support Road Show - information event explaining the core concepts of Jersey's low-income benefit system to over 60 stakeholders.
July PBAC new constitution (Committee that oversees list of drugs available on prescription) revamped to include dentists and nurses Flexible personal care component available Revised CHW fees in force	**August** Claimant jailed for fraudulently claiming £103,000 of benefits over eight year period.
September Flu vaccine for 2017 winter provided through community pharmacies as well as GP surgeries for first time SSF Review part 2 - public consultation launched on parental and bereavement benefits Public consultation launched on extension of discrimination law to include disability Staff survey (Your Voice) collected opinions from SSD staff	**October** Income Support components increased by RPI and incentives increased from 23% to 25% OAP at 2.8% to reflect RPI; other benefits up by 2.6% Minimum wage for 2018 agreed at £7.50 per hour New CHW fees introduced for businesses holding registered permissions Customer Service Awards – Public Sector Category winners
November Health and Safety Regulations for freight containers brought up to date Christmas Bonus for vulnerable groups agreed on a permanent basis - bonus of £84.87 paid	**December** ASW lowest for 8 years – 950. Figures improved steadily throughout 2017 year ending on 8 year low Employment Forum published bold proposals to improve family friendly employment rights. Living Longer workshop held

Who does Social Security Support?

Babies

Income Support Child Component supports low income families with the living costs of their children

Income Support Childcare Component supports working parents with childcare costs of 0 to 11 year olds

Maternity and Adoption Grants provide a lump sum to help with the general costs of having a baby

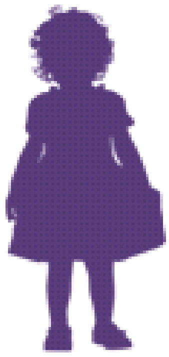
Maternity Allowance is a weekly payment to help mothers while they take time off work to have their baby

Home Responsibility Protection Credits protect pension records for people who stay at home to care for a child

Medical and Pharmaceutical Benefits subsidise the cost of visiting a GP and any medicines prescribed

Key:
Tax funded Benefit/Service
Long-Term Care Benefit
Contributory Benefit/Credit
Health Insurance Benefits

Children



Income Support Child Component supports low income families with the living costs of their children

Income Support Childcare Component supports working parents with childcare costs of 0 to 11 year olds

Dental Fitness Scheme helps toward the cost of dental treatment for 11-21 year olds

Child Personal Care Benefit supports parents of children who meet the requirements for the highest levels of impairment award

Student Credits protect pension records while students are in full time education

Medical and Pharmaceutical Benefits subsidise the cost of visiting a GP and any medicines prescribed

Working Age

Income Support is an income related benefit that provides support for those looking for work and those in work towards the cost of living.

Insolvency Benefit provides financial assistance to employees whose employers become insolvent

Back to Work teams provide support, coaching and training to help unemployed people back into work

Health and Safety Inspectorate ensures employers provide safe working environments

Jersey Advisory and Conciliation Service provides advice to employers and employees

Short Term Incapacity Allowance is a daily benefit which provides income when a worker is unable to work due to sickness

Survivor's Benefits support a spouse or civil partner if their partner dies

Medical and Pharmaceutical Benefits subsidise the cost of visiting a GP and any medicines prescribed

Illness and Disability

Income Support Health Components provide additional assistance to lower-income households that include someone who has a long term health condition

Housing Adaptation Grants help with the cost of adaptations to the home of those with permanent disabilities

Jersey Employment Trust and Back to Work help people with disabilities prepare for, find and maintain employment

Long-Term Care helps fund the care fees for adults with care needs

Long-Term Incapacity Allowance and Invalidity Benefit support those with a long term illness or disability; either physical or mental, both in work and those unable to work

Home Carer's Allowance supports carers who give up work to look after someone with high personal care needs

Medical and Pharmaceutical Benefits subsidise the cost of visiting a GP and any medicines prescribed

Gluten-Free Vouchers help individuals who need a gluten-free diet

Pensioners

Income Support supports lower income pensioner households

Food Costs* and Cold Weather Bonuses provide help with the cost of food items and heating the home for pensioners who don't pay tax

Christmas Bonus* is a one off payment made at Christmas to pensioners who don't pay tax

TV Licence Benefit pays for the TV licence for over 75's who don't pay tax

Pension Plus subsidises dental, optical and chiropody costs for pensioners who don't pay tax

Long-Term Care helps fund the care fees for people with care needs

Old Age Pension helps to cover basic needs in old age and is based on contributions paid throughout the working life

Death Grants help with funeral expenses

Medical and Pharmaceutical Benefits subsidise the cost of visiting a GP and any medicines prescribed

*These benefits are also available to some working age families

Social Security Overview

The body of this report describes the activities of the Social Security Department:

- Collection of contributions from individuals/employers.
- Provision of benefits and services.

It is divided into five sections:

1) **Fund Income Sources,** which details the income sources to the funds administered by the Department.
2) **Social Security Fund,** which details the benefits administered under the Social Security Law.
3) **Health Insurance Fund,** which details the benefits administered under the Health Insurance Law.
4) **Long-Term Care Fund,** which details the benefits administered under the Long-Term Care Law.
5) **Tax Funded Services and Benefits,** which details the services provided and benefits administered through tax funded money, including Income Support and the Back to Work programme.

The figure opposite shows the Social Security revenue sources and demonstrates the financial flow through the funds into the benefits and services. For simplicity it does not show all the financial information, such as investment income, depreciation or administration. This detail will be provided in the States of Jersey Financial Report and Accounts 2017 and associated Annex to the Financial Report and Accounts 2017.

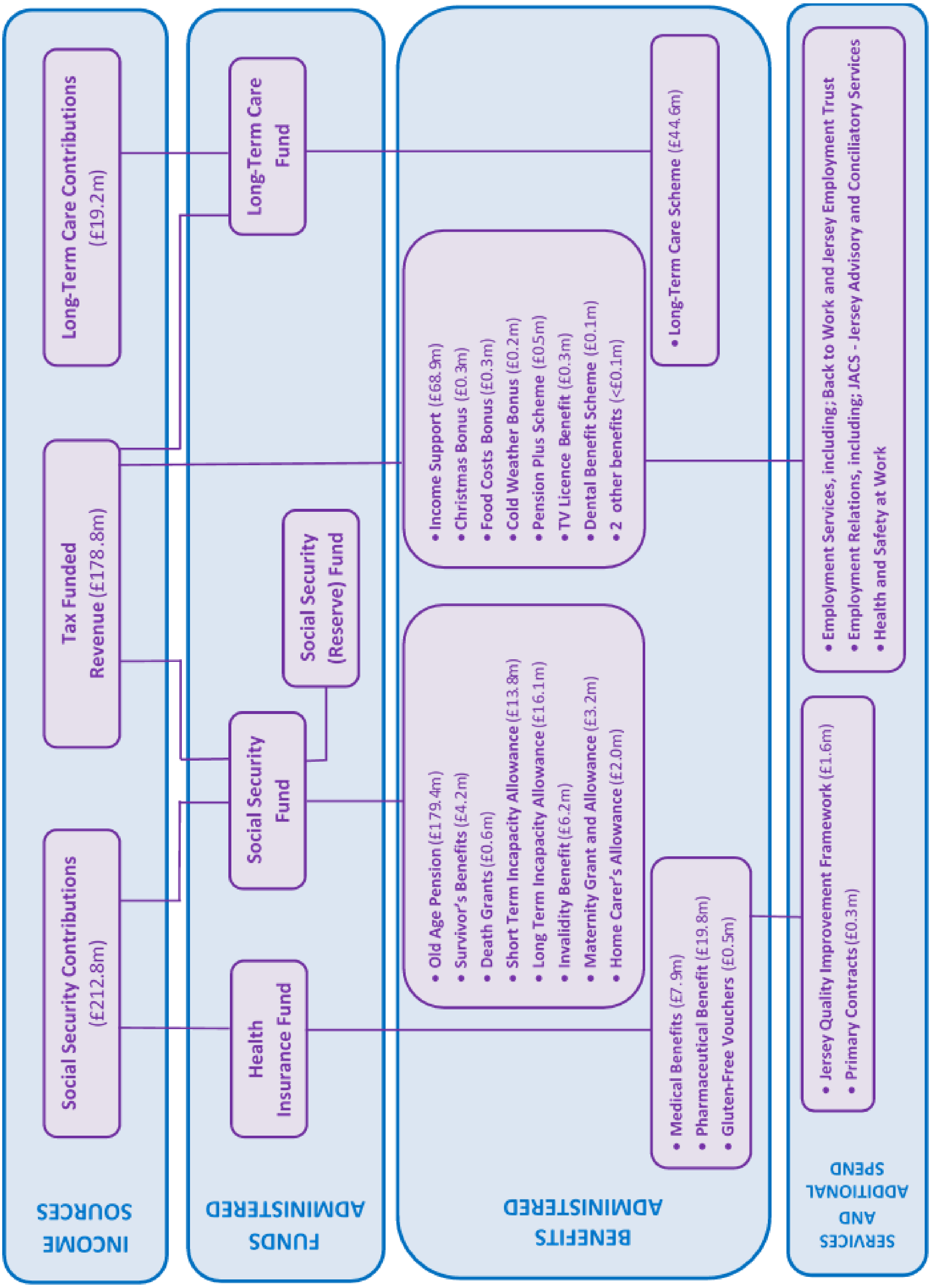


Figure 1: Flow chart demonstrating the Social Security Department income sources, funds, benefits and services 2017, excluding administration and other costs.

Section 2 – Fund Income

The Funds administered by the Social Security Department have three sources of income.

1) Contributions collected from individuals and employers
2) Grants from the States funded through taxation
3) Investment income

Social Security and Health Insurance Contributions

Contributions from working age adults are due on earnings up to pre-defined earnings ceilings, which are set on an annual basis. In 2017:

- **A contribution rate of 12.5% is payable on all earnings up to the Standard Earnings Limit (SEL) of £50,160 per year**.
  For Class 1 contributors (employed) the 12.5% liability is split between the employer (6.5%) and the employee (6.0%). Class 2 contributors (self-employed and others not in paid employment) are liable to pay the full 12.5%.
- **Since January 2012 a contribution rate of 2% is payable on earnings between the SEL and the Upper Earnings Limit (UEL) of £165,939 per year**.
  Employers and Class 2 individuals are liable to pay the 2% contribution.

In some situations employees are not required to pay their 6% liability, for example people who are in receipt of an Old Age Pension, people receiving Survivor's Allowance (in the first year of bereavement) and some women married before April 2001.

Income Received from Contributors

Table 3 provides an overview of the contributions received and the number of contributors:

	2013	2014	2015	2016[2]	2017
Class 1 contributions paid by employees below SEL (£000)	*78,105*	*80,286*	*85,782*	*85,922*	*89,737*
Class 1 contributions paid by employers below SEL (£000)	*84,614*	*86,977*	*92,931*	*93,083*	*97,215*
Total of Class 1 contributions below SEL (£000)	162,719	167,263	178,713	179,005	186,952
Total of Class 1 contributions above SEL (£000)	5,163	5,323	5,462	5,806	5,962
Total of Class 2 contributions below SEL (£000)	14,971	17,007	14,987	18,142	18,024
Total of Class 2 contributions above SEL (£000)	2,136	2,159	1,627	1,766	1,890
Total Value of contributions (£000)	**184,988**	**191,752**	**200,789**	**204,719**	**212,828**
Average No of Class 1 contributors during year	47,091	47,614	48,666	49,316	49,688
Average No of Class 2 contributors during year	3,751	3,783	3,860	3,995	4,098
Average Total No of contributors during year	**50,842**	**51,397**	**52,526**	**53,311**	**53,787**
Average Class 1 contribution per annum (£)	3,565	3,625	3,784	3,807	3,883
Average Class 2 contribution per annum (£)	4,561	5,066	4,304	4,253	4,859
Average Total contributions per annum (£)	**3,638**	**3,731**	**3,823**	**3,840**	**3,957**

Table 3: Contributions and contributors, 2013 to 2017.

Table 3 and Figure 2 show that the number of contributors increased by 0.8% on the previous year and the monetary value of contributions increased by 4% in 2017, compared to 2016.

Between 2013 and 2017 the value of contributions up to the SEL has risen by 15% compared to a 9.4% increase in average earnings over the same period, a real term increase of over 5%.

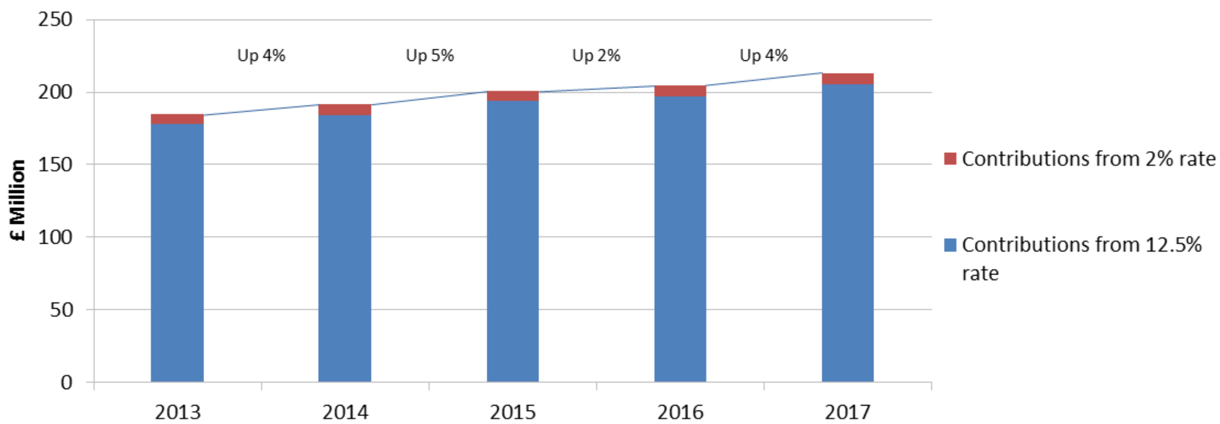


Figure 2: Total contributions and year on year change, 2013 to 2017.

[2] An error was identified in the reporting of the class 1 and class 2 breakdown of contributions for 2016, these have been corrected here, although the total value of contributions remains the same.

Level of Contributions

In 2017, on average 35% of Class 2 contributors paid above the Standard Earnings Limit each month, with 12% paying at the maximum Upper Earnings Limit. By contrast, on average, 20% of Class 1 contributions in 2017 were paid above the Standard Earnings Limit, with only 1% paid at the maximum monthly contribution.

Figure 3 shows that proportionately more Class 1 contributors paid at the Standard Earnings Limit in March and December, the months typically associated with bonuses.

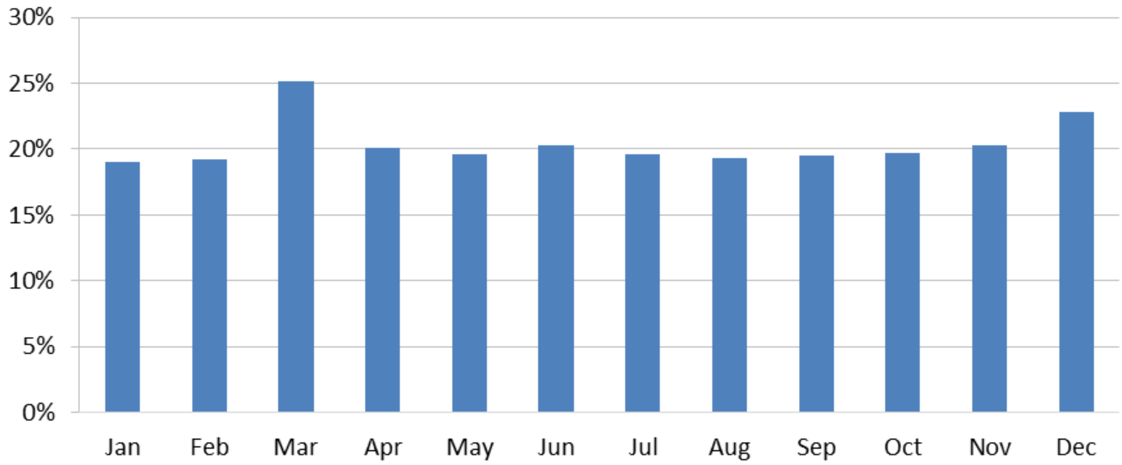


Figure 3: Class 1 contributors at the Standard Earnings Limit by month in 2017.

Number of Contributors

Contributions are recorded monthly and the number of Class 1 contributors shows a variation in line with the seasonal activities within the Jersey economy, with 4.7% more Class 1 contributors in July than February. Across the year there was a monthly average of 49,688, an increase of 372 Class 1 contributors (0.8%) from 2016, with the increase being driven by the second half of 2017.

For the third consecutive year, there has been an increase in the monthly average number of Class 2 contributors following a period of steady decline. This upward trend saw a small increase from a monthly average of 3,995 in 2016 to 4,098 Class 2 contributors in 2017.

Allocation of Contribution Income

Class 1 and Class 2 contributions are allocated to the Health Insurance Fund and the Social Security Fund according to fixed percentages.

Fund	Employer Class 1 (below SEL)	Employer Class 1 (above SEL)	Employee Class 1 (below SEL)	Class 2 (below SEL)	Class 2 (above SEL)
Health Insurance Fund	1.2%		0.8%	2.0%	
Social Security Fund	5.3%	2.0%	5.2%	10.5%	2.0%
Total	**6.5%**	**2.0%**	**6.0%**	**12.5%**	**2.0%**

Table 4: Percentage allocation of Class 1 and 2 contributions to the Health Insurance Fund and Social Security Fund.

Contribution Credits

In some circumstances contribution credits are available to protect people's contribution record and their entitlement to certain Social Security benefits. As well as protecting records during periods in which a contributory benefit is being claimed, credits are also available to:

- People caring for a child at home *(1,170 people as at 31 December 2017).*
- People over 18 in full-time education *(744 people as at 31 December 2017).*
- People who have been made compulsorily redundant *(13 people as at 31 December 2017).*

The most common source of contribution credits is for those caring for a child at home. This is known as Home Responsibility Protection (HRP) and is available for an adult who is not working in order to look after a child under school age, with a maximum of 10 years of credits available for any one person.

Long-Term Care contributions

In 2016, the maximum Long-Term Care contribution rate was increased from 0.5% to 1.0% and remained at 1.0% throughout 2017. The amount of contribution is based on an individual's total income taking into account their tax allowances and reliefs and is only chargeable up to the upper earnings limit (UEL). £19.2m of income was raised through Long-Term Care contributions in 2017, an increase of £1.2m compared with 2016.

States Grant to the Social Security Fund

Class 1 and Class 2 contributors with earnings below the Standard Earnings Limit in a given month, but above the Lower Earnings Limit, (£884 per month in 2017), normally receive a "top-up" supplement to bring their contributions up to the Standard Earnings Limit. This is called "supplementation" and protects pensions and benefit entitlement for lower and middle income earners,

The States provides an annual grant to the Social Security Fund. Up to 2010, the value of the States Grant was based on the exact cost of supplementation for the year in question. In 2011 a new method of calculating the value of the States Grant was established. This introduced certainty to the level of States contribution by setting the States Grant for 2011, and basing 2012 and future years on a formula set out in the law.

As part of the Fiscal Strategy Review, in 2011 the States agreed to introduce a 2% contribution rate for employers and Class 2 contributors between the Standard Earnings Limit and the Upper Earnings Limit, with the additional contribution income collected used to reduce the level of the States Grant by covering some of the cost of supplementation. This led to the value of the States Grant for 2012 and 2013 being at a relatively lower level than previous years due to the extra contributions raised through the introduction of the new 2% rate. In 2017 the value of the States Grant was maintained at its previous value of £65.3m. This was agreed as part of the Medium Term Financial Plan. The total value of the States Grant plus contributions above the Standard Earnings Limit was £73.2m, compared to the actual cost of supplementation of £80.9m.

Year	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000
Cost of supplementation	69,239	72,123	77,232	79,548	80,935
Contributions above Standard Earnings Limit	7,299	7,482	7,089	7,571	7,852
States Grant value	62,200	63,700	65,300	65,300	65,300
Total contributions received (Social Security Fund)	156,415	162,125	169,659	173,014	179,880
Combined value of States Grant and contributions	218,615	225,825	234,959	238,314	245,180

Table 5: States Grant in respect of the cost of supplementation, 2013 to 2017.

States Grant to the Long-Term Care Fund

The States also pays an annual grant to the Long-Term Care Fund. In 2017, the States Grant to the Long-Term Care Fund amounted to £31.8m, comprising a one-off £3.3m transfer from 2016 Social Security underspends and a statutory tax funded grant of £28.5m. Overall, this represents a £2.5m decrease on 2016. The value of the annual grant was originally set in 2016 based on the previous cost of supporting long-term care costs borne by the Social Security Department and the Health and Social Services Department. The value of the statutory grant is adjusted each year in line with the annual increase in RPI.

Fund Investments and Performance

Details of the investments and performance of the Social Security, Social Security (Reserve), Health Insurance and Long-Term Care Funds, along with details of the financial statements of the department are available in the States of Jersey Annual Report and Accounts 2017.

Section 3 – Social Security Fund Benefits (SSF)

The Social Security Fund pays for benefits to contributors who have made the required contributions and satisfy other specific conditions. Benefits mainly support claimants at times when they are less likely to be able to support themselves through employment, including maternity, sickness and old age. In 2017, the amounts paid across the full range of benefits available through the Social Security Fund are as follows:

Social Security Fund Benefit	2016 £000	2017 £000
Old age pensions	172,933	179,421
Short Term Incapacity Allowance	13,402	13,832
Long Term Incapacity Allowance	15,755	16,050
Invalidity Benefit	6,631	6,155
Survivor's benefits	4,475	4,199
Maternity benefits	3,324	3,190
Home Carer's Allowance	1,886	1,970
Insolvency Benefit	106	54
Death Grant	582	585
Total benefit expenditure	**219,094**	**225,456**

Table 6: Social Security Fund benefit expenditure 2016 and 2017.

SSF – Old Age Pensions (OAP)

Old age pensions can be claimed by anyone over pension age who has worked in Jersey and has paid Social Security contributions for at least 4½ years.[3] Pensions can be claimed by anyone who meets the contribution criteria, including people who have since left Jersey.

The value of the pension depends on the number of years of contributions with the maximum, full rate of pension being paid to those with a contribution record of 45 years or more.

Historically the old age pension was increased once a year in line with the growth in average earnings. In the past earnings have increased at a greater rate than inflation and thus the value of the old age pension grew in real terms. More recently however, and on a number of occasions, inflation has exceeded the increase in earnings and thereby the value of pensions has decreased in real terms. In 2013 a new uprating method was introduced to safeguard the value of the pension. This new methodology increases the old age pension with reference to both inflation, measured through the Retail Prices Index for Pensioners, and average earnings, measured by the Index of Average Earnings. The new method of uprating pensions ensures that pensions increase at least in line with inflation; at the same time, in the longer term, increases will track the growth of average earnings.

In October 2017 the annual uprate was applied using the new methodology, with the standard rate of pension increasing by 2.8% from £204.19 to £209.93 per week. For couples married before April 2001 a married pension is available based on the contribution record of the husband and the full pension is paid at 166% of the single rate (£348.53 for 100% pension).

[3] A pro-rata pension is also payable where there is an aggregate of 4½ years in the case of nationals of countries with whom Jersey has a reciprocal agreement. http://www.gov.je

The new methodology in uprating only applies to old age pensions. All other contributory benefits within Social Security legislation that refer to the standard rate benefit continue to be uprated by the index of average earnings. In October 2017 this led to an increase in the standard benefit rate (excluding pensions) from £204.19 to £209.51.

The current pension age is 65, with an option to take a reduced rate pension up to two years early. At present some women continue to have a pension age of 60, if they were registered for Social Security purposes before 1975. In 2014 the States passed legislation to increase the pension age in Jersey from 2020, with the pension age rising by two months per year, increasing the age from 65 to 67 by 2031.

Just over three-quarters (£179.4 million) of Social Security benefit expenditure is in respect of old age pensions. This cost is growing year on year as the number of pensioners increases. At the end of 2017 there were 31,441 pensions in payment. There has been an 8% increase in the number of pensions paid between 2013 and 2017 and an 9% increase in the rate of the pension leading to an overall increase of 16% in the total cost of pensions over this time.

Year	2013	2014	2015	2016	2017
No of Old Age Pensions in payment at year end	29,052	29,582	30,122	30,880	31,441
Value of Old Age Pensions Paid £000's	154,229	160,464	166,746	172,933	179,421
Weekly full (100%) Old Age Pension rate at year end £	£193.48	£197.40	£199.99	£204.19	£209.93

Table 7: Pension comparisons, 2013 to 2017.

The number of pensions in payment rose by just under 2% (561) during 2017, which follows a similar trend to previous years. This increase is shown in Figure 4.

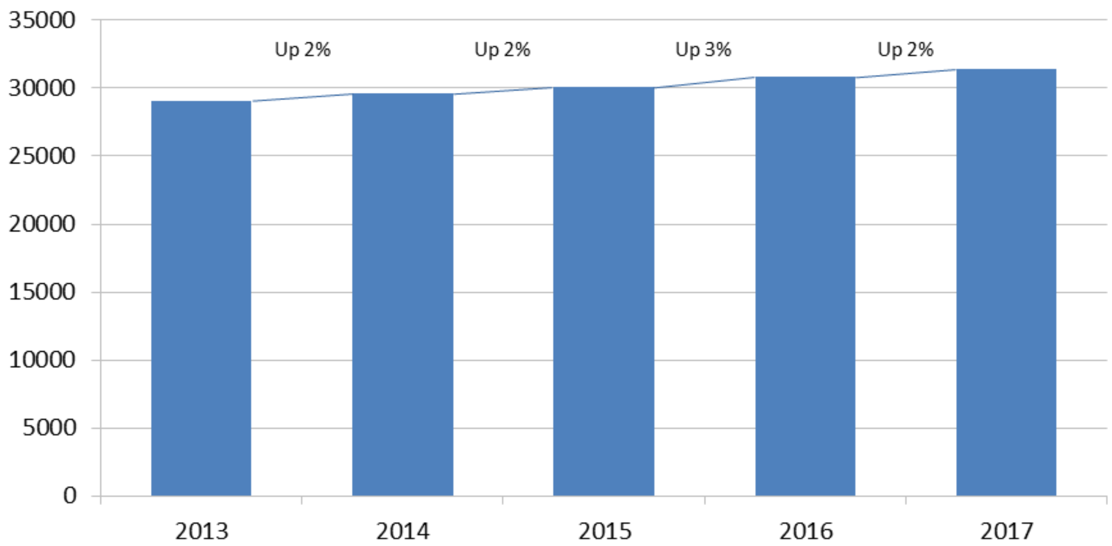


Figure 4: Number of Old Age Pensions in payment at year end, 2013 to 2017.

Demographics of Old Age Pensioners

The female to male ratio slowly increases with age, reflecting the fact that, on average, women live longer than men. Of the 331 pensioners aged 95 or over, 255 (77%) are female.

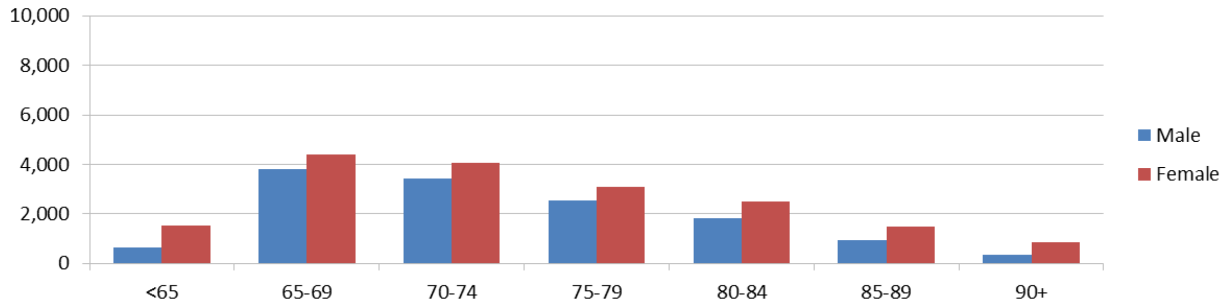


Figure 5: Number of pensioners by age bracket as at 31 December 2017.

Old Age Pension Payments

At the end of 2017 there were 18,602 people receiving their pensions in Jersey, and 12,839 receiving their pensions outside Jersey.

Of the 12,839 pensions paid outside Jersey, 6,496 are paid in the UK and other Channel Islands, 4,914 are paid in the rest of Europe and 1,429 paid across the rest of the world.

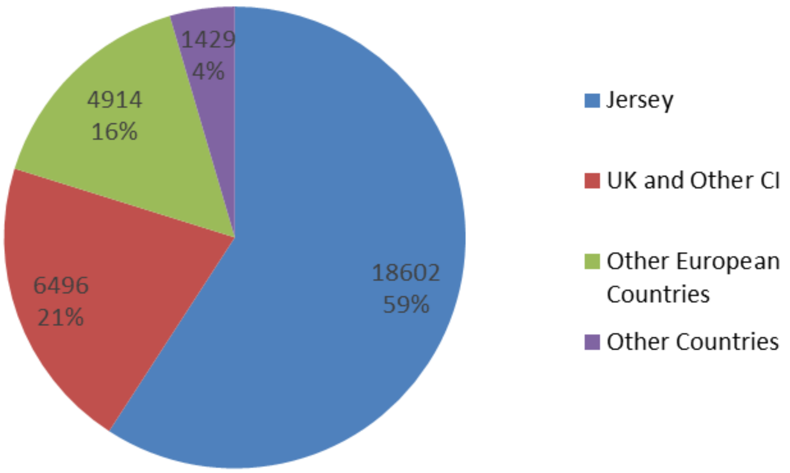


Figure 6: Distribution of where pensions are paid as at 31 December 2017.

The pensioners living in Jersey have typically paid more Social Security contributions having lived and worked for more years in Jersey, and therefore receive a larger pension. The lower levels of pensions paid abroad reflect Jersey's history of high levels of migrant labour where non Jersey born nationals have worked in Jersey for a relatively short period before leaving the island.

86% of Jersey residents receive a pension of over 50% of the full pension compared to only 16% of non-Jersey residents.

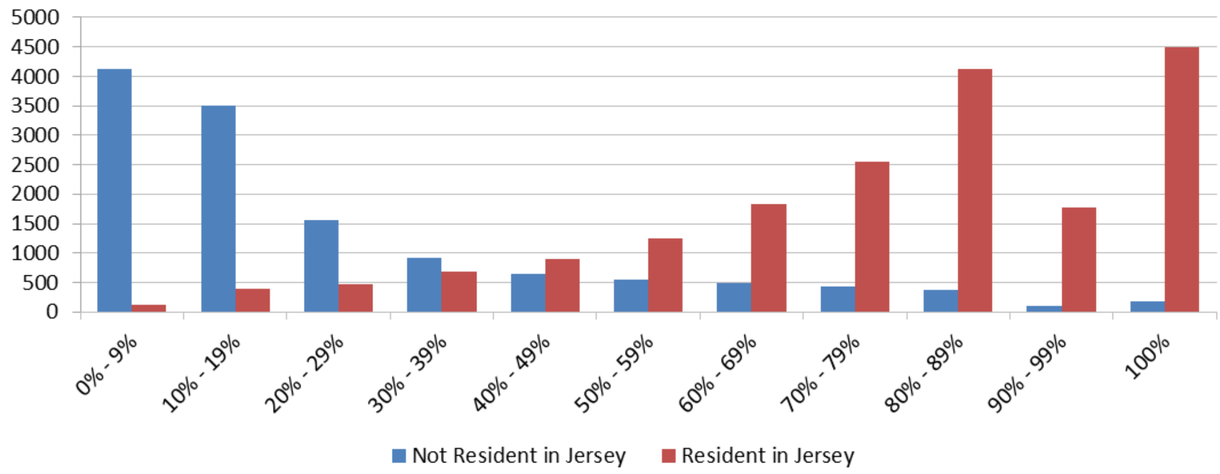


Figure 7: Distribution of weekly pension rate, Jersey resident and non-resident, as at 31 December 2017.

The higher average rate of pensions paid to residents in Jersey means that, although 41% of all pensioners are not resident in Jersey, they only received 18% (£33 million) of the total value of pension payments.

Resident	Pension Value £000	Pension Value %	No. of Pensions as at 31 December 2017	% of Pensions
Jersey	146,239	82%	18,602	59%
UK and other CI	16,935	9%	6,496	21%
Rest of world	16,246	9%	6,343	20%
Total	179,421		31,441	

Table 8: Total value and number of pensions 2017.

SSF – Survivor's Benefits and Death Grants

Two types of survivor's benefits are paid: Survivor's Allowance and Survivor's Pension. These benefits are paid on a percentage basis to survivors based on the contribution record of their deceased spouse or civil partner and are mainly paid to survivors while they are of working age. Survivor's Allowance is paid to a survivor for the first 52 weeks following bereavement and at 20% above the standard rate of benefit. After the first 52 weeks, Survivor's Allowance is replaced by Survivor's Pension which is paid at the standard rate of benefit. Survivor's benefits are not paid if the survivor remarries, co-habits or enters another civil partnership and they cease when the survivor reaches pension age. As of 1 January 2013 the eligibility for Survivor's Pension changed and since then the benefit is only payable to people with dependent children. People already in receipt of Survivor's Pension or Allowance and people born before 1 January 1957 are not affected by this change.

Type of Benefit	No. of Claimants	Average Weekly Claim Rate £
Survivor's Allowance	70	151.82
Survivor's Pension	674	106.74
Total	**744**	**110.98**

Table 9: Number of claimants of survivor's benefits and average weekly claim rates as at 31 December 2017.

Survivor's benefits are paid worldwide. Although 54% of the total number of survivor's benefits are paid in Jersey, 69% of the total value of survivor's benefit is paid in Jersey, as shown in Figure 8 and Figure 9. The majority of survivor's benefits are paid to women (86%).

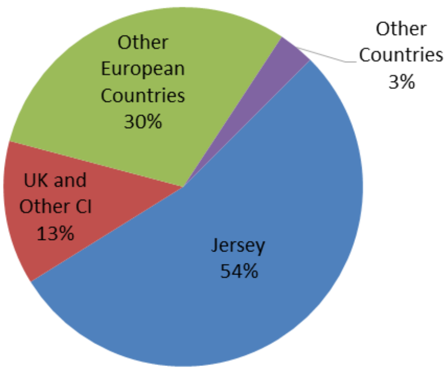


Figure 8: Survivor's benefits claimant numbers by location in payment as at 31 December 2017.

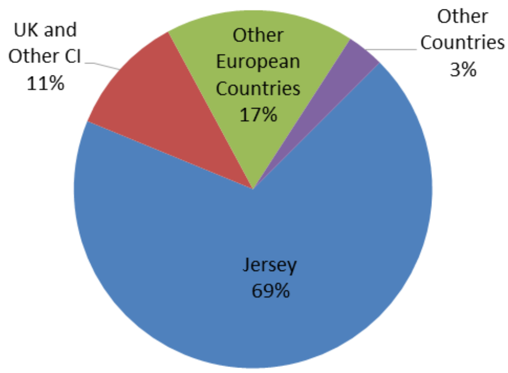


Figure 9: Survivor's benefit value by location in 2017.

A contributory Death Grant is available in respect of most deaths in Jersey. The value of the grant increased from £816.76 to £838.04 in October 2017. Grants are also paid in respect of individuals living outside Jersey at the time of their death, if they were receiving a full-rate benefit, such as a 100% old age pension rate, immediately prior to the date of death or their departure from Jersey was less than six months prior to the date of death.

In the small number of cases where a Death Grant is not payable under the contributory system, a non-contributory grant can be provided using a tax-funded budget.

	2013	2014	2015	2016	2017
Total Value of Death Grants £000	689	678	740	806	790
Individual Death Grant Value as at 31 December £	765.52	785.68	799.96	816.76	838.04

Table 10: Total value of Death Grants paid and value of an individual Death Grant, 2013 to 2017.

SSF – Short Term Incapacity Allowance (STIA)

Short Term Incapacity Allowance (STIA) is usually authorised by GPs and paid to working age claimants who satisfy the necessary contribution conditions for periods of incapacity lasting between 2 and 364 days.[4] Most STIA claims are paid at the standard rate of benefit. This was £204.19 per week at the beginning of 2017, rising to £209.51 per week from 1 October 2017.

	2013	2014	2015	2016	2017
Cost of STIA Claims £000	12,938	12,413	12,315	13,402	13,832
No. of STIA Claims Paid	25,703	24,743	25,514	26,521	25,106
No. of Days Paid	509,714	476,243	469,318	497,749	501,616
Average Length of Claim	19.8	19.2	18.4	18.8	20.0

Table 11: Annual STIA claims paid, 2013 to 2017

Table 11 details the number of claims paid and the total number of days covered by STIA claims over the past five years.

Figure 10 shows the trends in the total number of STIA claims and the average (mean) length of claim. It highlights that claims have on average continued to increase in length since 2016 but the number of claims has decreased by 5% compared with 2016

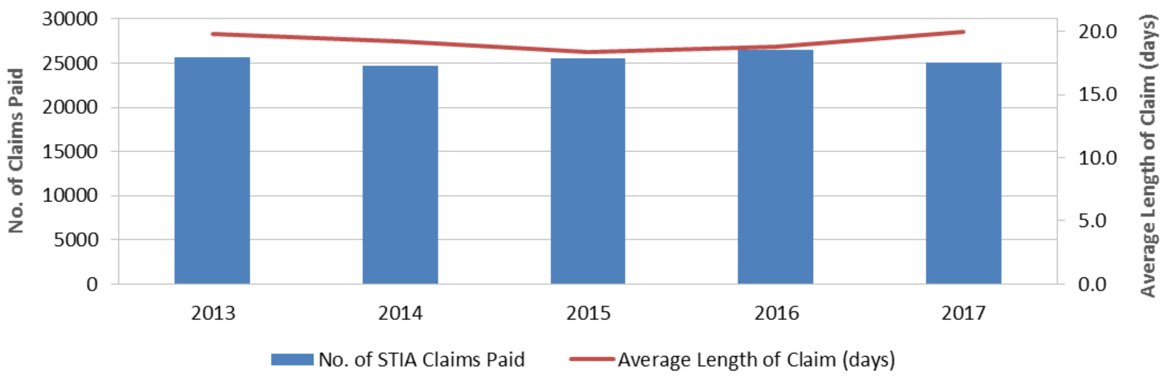


Figure 10: Annual number and average length (in days) of STIA claims, 2013 to 2017.

STIA covers a wide range of short-term illnesses and injuries. 24% of all claims during the year related to infectious illnesses, a decrease from 28% in 2016. These claims lasted an average of 7.8 days. By contrast, depression, stress and anxiety accounted for 11% of the claims but 21% of the number of days, with an average duration of over five weeks per claim. Table 12 details some of the most common reasons for STIA claims in 2017:

STIA Reason for Claim	% of all 2017 Claims Paid	No. Of Claims Paid	No. Of Days Paid	Average Claim Length (Days)
Infections	24%	6,101	47,169	7.7
Hospital treatment	16%	3,907	98,015	25.1
Depression, stress and anxiety	11%	2,736	103,953	38.0
Back/neck pain/injury	10%	2,389	44,208	18.5

Table 12: Most common reasons for claiming STIA in 2017.

[4] Benefit is paid for all seven days in a week, and not just for working days.

Some individuals have a long-term health condition that lasts for more than a year. These claimants can apply for Long Term Incapacity Allowance (LTIA). Whereas a claimant cannot claim STIA and work, LTIA claimants can return to work or stay in work and continue to claim the benefit.

SSF – Long Term Incapacity Allowance (LTIA) and Invalidity Benefit (INV)

These benefits are paid to working age people who satisfy the necessary contribution conditions and who have a long-term loss of faculty.[5]

LTIA compensates people for their loss of faculty, regardless of whether it is as a result of an illness or injury. Unlike STIA, it is based on a Social Security medical assessment not a doctor's certificate and has different criteria to STIA. It is assessed as a percentage of the standard rate of benefit based on their loss of faculty and is an in work benefit. The maximum value of the benefit (100%) is set at the standard rate of benefit. In October 2017 the rate rose from £204.19 per week to £209.51 per week.

A minority of claimants will be assessed at 100% for a major loss of faculty. Most claimants are assessed at a lower percentage, in 5% bands.

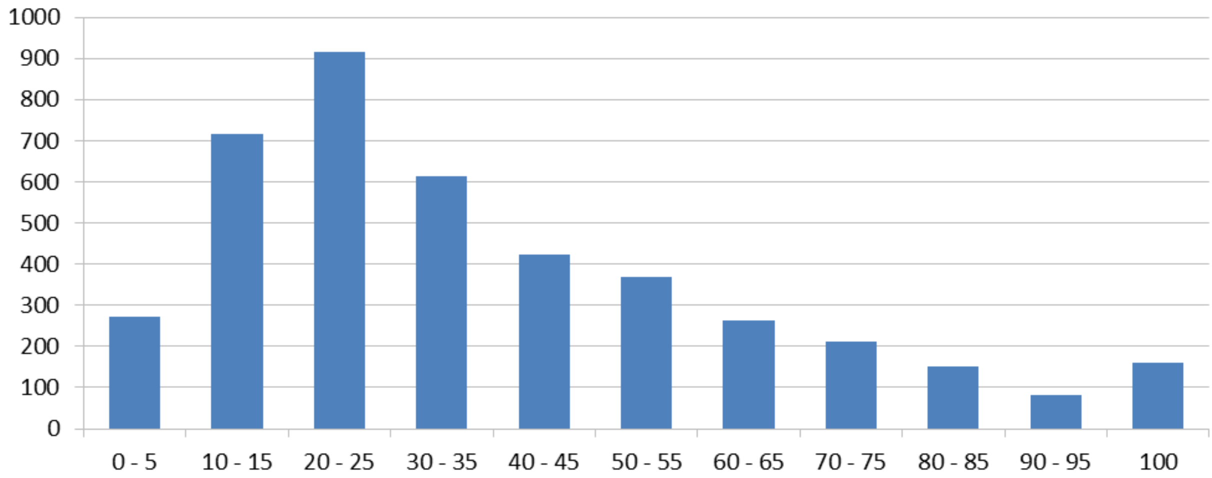


Figure 11: Number of LTIA claims in payment by rate % as at 31 December 2017.

The average percentage rate of assessment for LTIA claims in payment in 2017 was 37% and this percentage has remained more or less constant over the last five years.

As with STIA, LTIA covers a wide range of illnesses and injuries. Depression is by far the most common condition, accounting for 16% of all claims. Back pain and back injuries combined accounted for 12% of all claims. Table 13 identifies the most common conditions in 2017.

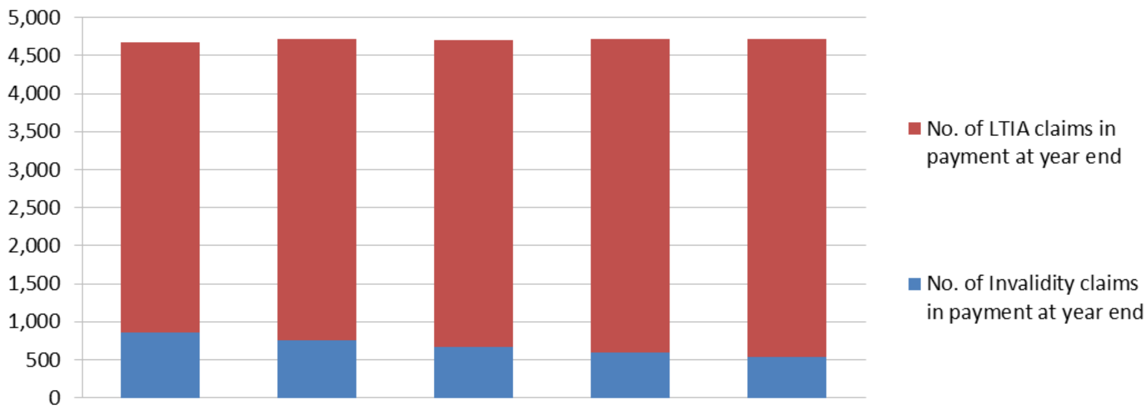
[5] The extent of incapacity is assessed by reference to the loss of faculty arising from a disease or injury.

LTIA Condition	No. of claims	% of all claims	Average % Degree of Incapacity
Depression	651	16%	36%
Pain - Back	382	9%	28%
Injury – Back	140	3%	32%
Anxiety	138	3%	34%
Accident/Injury (Other)	131	3%	38%
Stress	112	3%	31%
Carcinoma	112	3%	57%

Table 13: Most common LTIA conditions at 31 December 2017.

LTIA was introduced in October 2004 to replace Invalidity Benefit and Disablement Benefit. Invalidity Benefit was payable as a result of a permanent illness and did not allow claimants to undertake work whilst claiming. Disablement Benefit was payable as a compensation for a permanent disability as a result of an accident, and allowed claimants to undertake work whilst claiming.

Figure 12 shows an ongoing decrease in the number of Invalidity Benefit claims as all new claimants now receive LTIA. Combined, the number of people receiving LTIA and Invalidity Benefit has been relatively stable over recent years with a 2.4% increase over the four year period 2013 to 2017.



	2013	2014	2015	2016	2017
Invalidity claims	759	667	595	529	502
LTIA claims	3,815	3,958	4,035	4,125	4,184
Total claims	**4,574**	**4,625**	**4,630**	**4,654**	**4,686**

Figure 12: Number of Invalidity and LTIA claims at 31 December, 2013 to 2017.

SSF – Maternity and Adoption Benefits

A Maternity Grant (or Adoptive Parent Grant) is paid to help with the initial general costs of having a baby. The Grant is available as a lump sum to either the father or mother who satisfies the contribution conditions. The value in 2017 was £612.57, rising to £628.53 from 1 October 2017. Multiple grants are provided in the case of multiple births. The great majority of parents having a baby in 2017 received a Maternity Grant from the Department. 949 births were recorded in 2017 with 910 maternity grants being paid by the Department in 2017. Figure 13 shows the nationality of those in receipt of Maternity Grants in 2017:

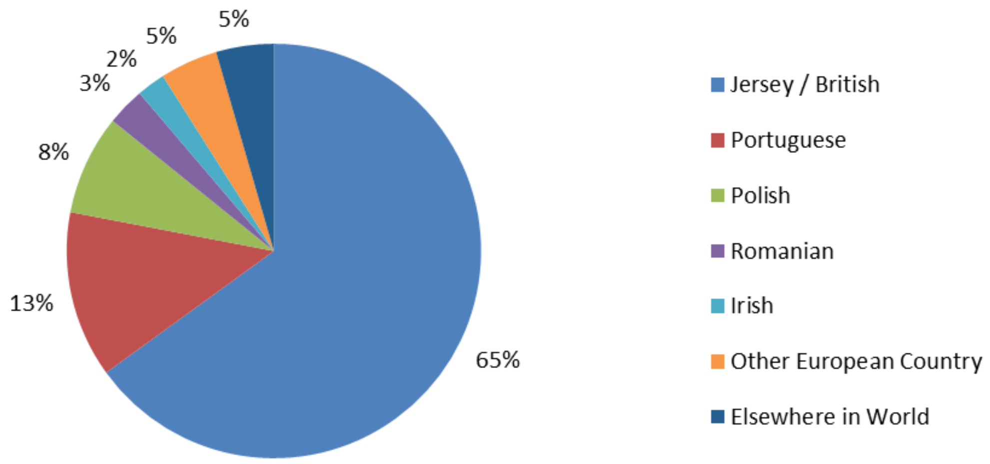


Figure 13: Maternity Grants claimed in 2017, by nationality.

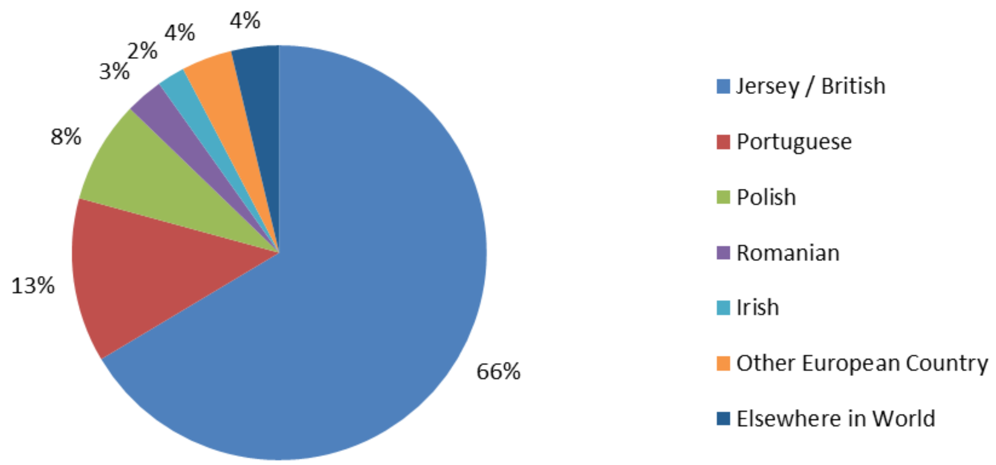


Figure 14: Nationality of age 18-50 female population registered with the Social Security Department as at the end of 2017.

Just under two-thirds of parents receiving Maternity Grants have British nationality, with the remainder largely reflecting the nationalities of the local female population aged 18-50. The average age of a woman in receipt of Maternity Benefit in 2017 was 32. Grants were paid in respect of 10 cases of twins born in 2017.

A weekly Maternity Allowance can also be payable to the mother. This can be paid for up to 18 weeks, at the same rate as STIA, but based on only the mother's contribution record before she became pregnant.

Indicator	2013	2014	2015	2016	2017
No. of Maternity Allowance claims starting in the year	894	834	876	898	845
No. of Maternity Grant claims paid in the year	970	837	1,020	931	910
No of Births Recorded[6]	1,017	989	997	1,008	949

Table 14: Maternity indicators, 2013 to 2017.

SSF – Home Carer's Allowance (HCA)

At the beginning of 2013, the Home Carer's Allowance replaced the Invalid Care Allowance tax funded benefit. The new benefit is similar to the old Invalid Care Allowance, and is in place to help people who give up employment to take on a caring commitment for a person who needs a high level of personal care.

To qualify for Home Carer's Allowance claimants should be of working age, spend at least 35 hours each week caring and have earnings of no more than £153.00 per week. These requirements were also in place for the old benefit.

In the past people with an annual household income of £62,382 (2012 cap) or over could not claim Invalid Care Allowance. Now the household income cap has been removed. There is, however, a requirement for the carer to have a Social Security contribution record. The new benefit also requires that the "cared for" person has lived in Jersey for at least one year.

In 2017 there were 176 claimants, of which the majority were female, at a total cost of almost £2.0 million.

Gender	Claimants	Average age
Female	140	50
Male	36	55
Total	**176**	**51**

Table 15: Number of Home Carer's Allowance claimants as at 31 December 2017 by gender and average age.

SSF – Insolvency Benefit

Insolvency Benefit was introduced on 1 December 2012 and provides financial assistance to employees who are made redundant due to the insolvency of their employer. This benefit replaced the temporary, tax funded, insolvency scheme originally introduced in 2009. The amount of benefit is calculated based on amounts owed to employees by the former employer in respect of the following four components:

1. Unpaid wages relating to the 12 months prior to employment ending.
2. Holiday pay relating to the 12 months prior to employment ending.
3. Statutory redundancy pay (one week's capped pay for each year of service, subject to a minimum of two years' service).
4. Pay in lieu of notice on termination of employment (up to 12 weeks' pay).

The maximum amount of Insolvency Benefit is capped at £10,000 and the Social Security Fund will meet the person's liability for Social Security contributions and income tax (ITIS) on those sums.

During 2017, there were 15 new claims from the former employees of three insolvent employers which resulted in payments of £54,000.

[6] Registration of Births, Deaths, Marriages and Civil Partnership: Annual Statement 2017

Section 4 – Health Insurance Fund Benefits (HIF)

The Health Insurance Fund provides benefits to local residents in respect of specific primary care costs. The full range of benefits and the cost of these benefits for 2017 are as follows:

Health Insurance Fund	2016 £000	2017 £000
Medical Benefit – GP consultations	7,195	6,946
Medical Benefit – pathology benefit	941	932
Jersey Quality Improvement Framework (JQIF)	1,587	1,579
Pharmaceutical Benefit - drug costs	13,375	12,954
Pharmaceutical Benefit - dispensing fees	6,815	6,874
Gluten-free Vouchers	393	471
HIF Contracts	-	349
Total benefit expenditure	**30,307**	**30,105**

Table 16: Health Insurance Fund benefit expenditure for 2016 and 2017.

HIF – Medical Benefits (GP Consultations)

A standard benefit is paid in respect of each GP consultation covered by the Health Insurance Fund. Throughout 2017 the value of the benefit was set at £20.28. The separate benefit, paid at the same rate, previously available in respect of the cost of a letter of referral written by a GP to a hospital consultant or other specialist, was withdrawn in line with the introduction of the JQIF contract payments.

	2013	2014	2015	2016	2017
No of GP consultations	351,099	349,102	355,497	358,914	338,494
Value of Medical Benefit as at 31 December £	20.28	20.28	20.28	20.28	20.28

Table 17: Volumes and costs of GP visits and consultations, 2013 to 2017.

HIF – Jersey Quality Improvement Framework (JQIF)

The Jersey Quality Improvement Framework (JQIF) was introduced in 2015 as an additional income stream for GP practices based on a standard contract aimed at encouraging high quality outcomes for patients. All GP surgeries participated and in 2017, the contract contained 36 clinical and organisational measures describing the standards and activities which GP surgeries should achieve. These included, for example, the creation of a register of patients with diabetes and measures regarding specific interventions for this condition. Payments were made to GP practices according to their level of activity against each measure totalling £1.6 million.

HIF – Primary Care Contracts

In 2017 contracts were agreed with GP practices and community pharmacists to provide flu vaccinations to at risk and targeted groups. A total of 16,243 at risk individuals were vaccinated at a cost of £349,000.

HIF – Pathology Laboratory Benefit

In January 2010 the Health and Social Services Department introduced a charge for analysing blood samples provided by GPs. A new benefit was set up within the Social Security Department, funded through the Health Insurance Fund, to ensure that this cost was not passed on to the patient. The benefit covers blood samples taken for haematology testing and for clinical chemistry testing and was introduced at a standard rate of £10 before being increased to £10.35 in June 2012, and has remained at that rate since.

	2013	2014	2015	2016	2017
No. of Pathology Laboratory benefit claims paid during year	88,763	86,250	89,308	90,929	90,035
Cost of Pathology Laboratory benefit claims paid during year £000	919	893	924	941	932
Value of Pathology Laboratory benefit on 31 December £	10.35	10.35	10.35	10.35	10.35

Table 18: Number and cost of Pathology Laboratory benefit claims, 2013 to 2017.

HIF – Pharmaceutical Benefit

Pharmaceutical benefit covers the full cost of prescription drugs prescribed by GPs and dentists and includes a dispensing fee paid to community pharmacists, in respect of each item dispensed. The Minister for Social Security is responsible for maintaining the list of drugs that are available on prescription from GPs.

	2013	2014	2015	2016	2017
Total No. of items prescribed during year	1,846,713	1,871,770	1,936,690	1,983,296	1,959,815
Average cost of a prescribed item £	6.44	6.65	6.96	6.74	6.70
Total cost of prescribed items £000	11,901	12,449	13,478	13,375	12,954
Pharmacy dispensing fees £000	6,220	6,413	6,688	6,815	6,874
Total Cost £000	**18,121**	**18,862**	**20,166**	**20,191**	**19,828**

Table 19: Costs of Pharmaceutical Benefit, 2013 to 2017.

In 2017 there were almost 2 million prescriptions dispensed with a total drug cost of £13.0 million.

Since 2013 there has been an 6% increase in the number of items prescribed, which is highlighted in Figure 15.

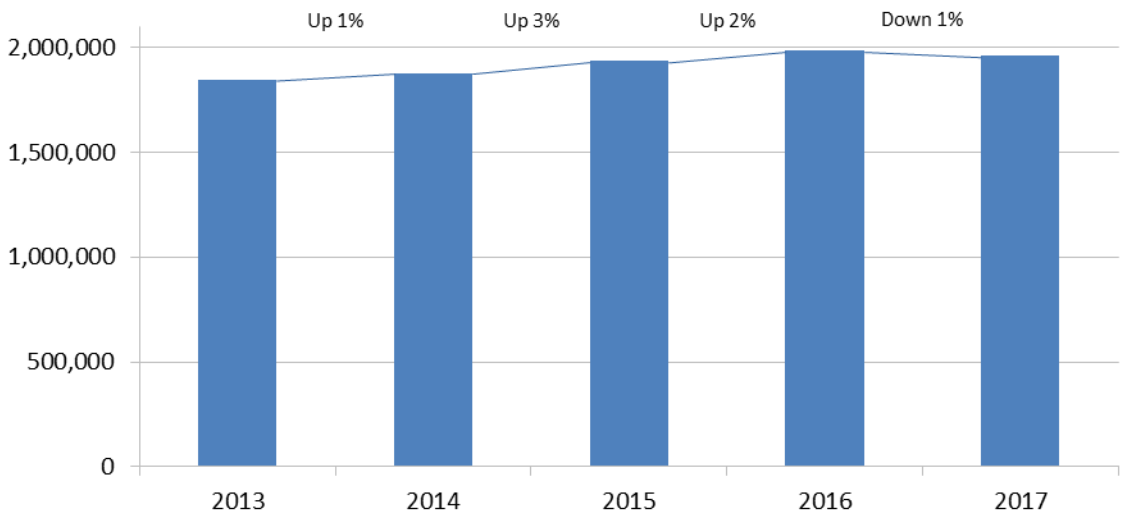


Figure 15: Annual pharmaceutical items prescribed, 2013 to 2017.

Types of Drugs Prescribed

In 2017, a total of 1,959,815 prescription items were dispensed in the community with a net cost to the Health Insurance Fund of just under £13m. The number of items dispensed was 1% lower than the previous year, with a fall in total net drug costs of 3%. Since January 2014, the volume of prescription items dispensed has increased by 5% while total net drug costs have risen by 4%. By comparison, items and costs have changed by 4% and 3.5% in England.

Two notable changes occurred in 2017 that impacted on the cost and volume of prescription medicines. Firstly, changes were made to the provision of influenza vaccine allowing it to be issued by pharmacies as well as by local GPs. This reduced the total number of prescriptions dispensed by nearly 18,000, contributing to the lower growth in prescription volume. Secondly, the patent on pregabalin, a medicine used in the treatment of epilepsy and nerve pain, expired allowing lower cost generic versions of the medicine to be dispensed. This reduced total annual expenditure for the drug by around £300,000 compared with the previous year, with a drop in the average cost of each pregabalin prescription from £60 per item in 2016 to £37 per item in 2017.

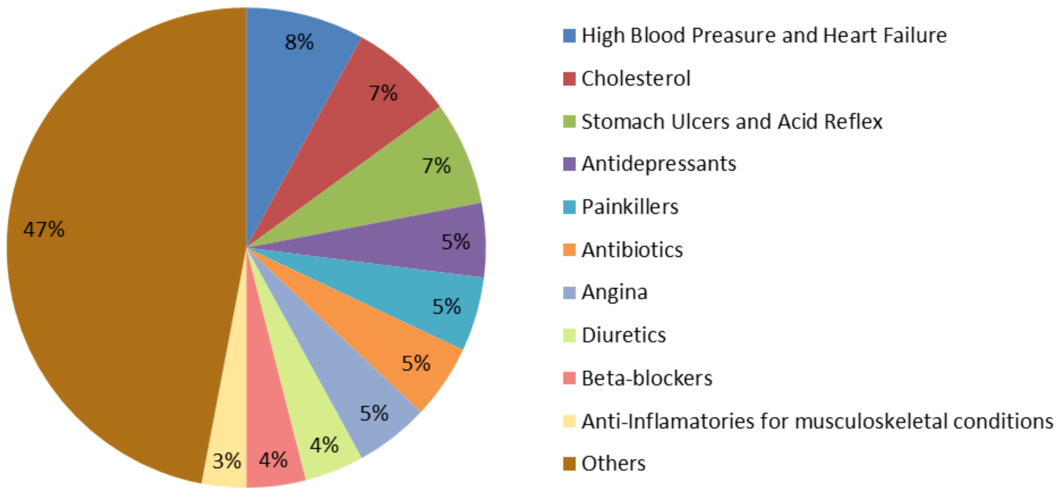


Figure 16: Volume of items prescribed by medicine category in 2017.

Medicines to treat diseases of the heart and circulation remain the most commonly prescribed group, accounting for around 1 in 3 prescriptions dispensed in the community in 2017. This group of medicines covers a wide range of conditions, including cholesterol lowering medicines, treatments for high blood pressure, and anticoagulants that thin the blood. As well as medicines for the heart, other groups of medicines that are increasingly dispensed include antidepressants (3% increase from 2016) and medicines for diabetes (up by 8%).

There were falls in the prescribing of a number of groups of medicines, including antibiotics (down by 7% compared with 2016), painkillers (down by 3%), sleeping tablets (down by 6%) and medicines for osteoporosis (down by 14%).

As in previous years, medicines that act on the nervous system account for the largest proportion of medicine costs. However, costs in this group fell by 8% compared with 2016, largely due to the fall in the price of pregabalin. In contrast, costs for medicines acting on the heart and circulation (the second highest cost group) increased by 7%, driven by the increasing use of newer and more expensive medicines to thin the blood (anticoagulants).

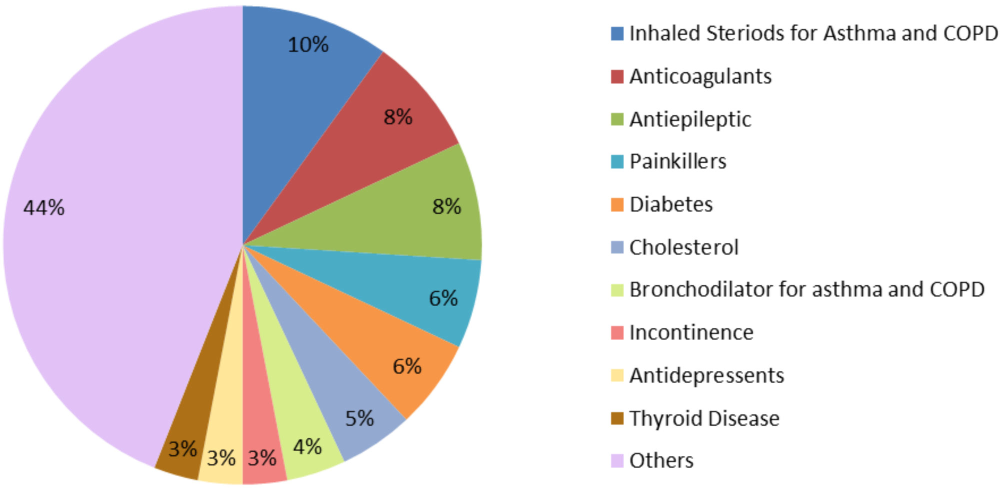


Figure 17: Cost of items prescribed by medicine category in 2017.

HIF – Gluten-free Scheme

Individuals who require a gluten-free diet can receive vouchers towards the cost of purchasing gluten-free products. The current value of the vouchers is £14 per beneficiary per week.

	2013	2014	2015	2016	2017
Number of gluten-free claimants	423	481	572	641	702
Cost of Gluten-free Vouchers £	256,615	278,516	328,967	392,647	470,713
Average cost per claimant £	607	579	575	613	671

Table 20: Gluten-free claimants and costs, 2013 to 2017, as at 31 December.

Section 5 – Long-Term Care Fund Benefits (LTCF)

A new Long-Term Care Fund was set up at the end of 2013. This ring-fenced fund is designed to collect Long-Term Care contributions from tax payers and makes benefit payments to adults who have long term care needs.

Initial funding was provided by the States to allow benefits to be paid from 1 July 2014 whilst collection of Long-Term Care contributions started at the beginning of 2015. The Long-Term Care scheme continues to be funded by an annual States grant and the collection of Long-Term Care contributions, which in 2016 increased from 0.5% to 1% of taxable income up to the Upper Earnings Limit. In total, £44.6m was paid out in Long-Term Care benefit in 2017, which was an increase of £2.3m compared to 2016.

Long-Term Care benefit

One of the key features of the Long-Term Care scheme is to protect households from the uncertainty associated with the risk of incurring catastrophic care costs. To this end, the Long-Term Care benefit (a universal non-means-tested benefit) is payable once care costs reach a certain level – regardless of a household's income and assets.

Long-Term Care benefit helps all households with their care costs once they have reached the standard care costs cap (£54,480 at the end of 2017). The benefit is paid at 4 levels, depending on the type and level of care needed. The weekly rates as at 31 December 2017 were set at:

Level of standard care	Weekly cost for standard care in a care home £
1	369.18
2	563.50
3	814.52
4	1024.10

Table 21: Long-Term Care standard care costs as at 31 December 2017.

The Long-Term Care benefit is also available to people receiving care in their own home. In this case, the benefit rate reflects the actual cost of care up to the standard care cost in a care home.

The universal Long-Term Care benefit does not cover the living costs of being in a care home. Support for care costs up to the standard care costs cap of £54,480 and living costs in a care home are provided through two other aspects of the Long-Term Care scheme – Long-Term Care support and Long-Term Care property loans.

Long-Term Care support

Long-Term Care support (means-tested financial support) is available to households to help meet care costs and living costs in a care home, depending on the income and assets of the household.

Long-Term Care support is available to households whose income is not enough to meet these costs and whose total assets are below £419,000. Long-Term Care support helps towards standard care fees and the costs of living in a care home (£326.97 for board and lodging plus £35.70 personal allowance per week in 2017). People receiving care at home can claim Long-Term Care support to help cover their care costs, if necessary, alongside an income support claim which helps with basic living costs.

Long-Term Care property loans

Another important driver for the introduction of the Long-Term Care scheme was to improve financial support for homeowners facing high care bills. Depending on income and assets, property loans are available to help cover care costs and living expenses. Loans are interest bearing at a rate of 0.5% above the Bank of England base rate which in 2017 was 0.25% until the 02 November 2017, when it increased to 0.5%.

Demographics

As at 31 December 2017, 1,335 individuals were being supported through the Long-Term Care scheme. Figure 18 below demonstrates the demographic profile of those within the scheme; showing that overall there are almost twice as many women on the scheme as there are men, and that this proportion grows with older age.

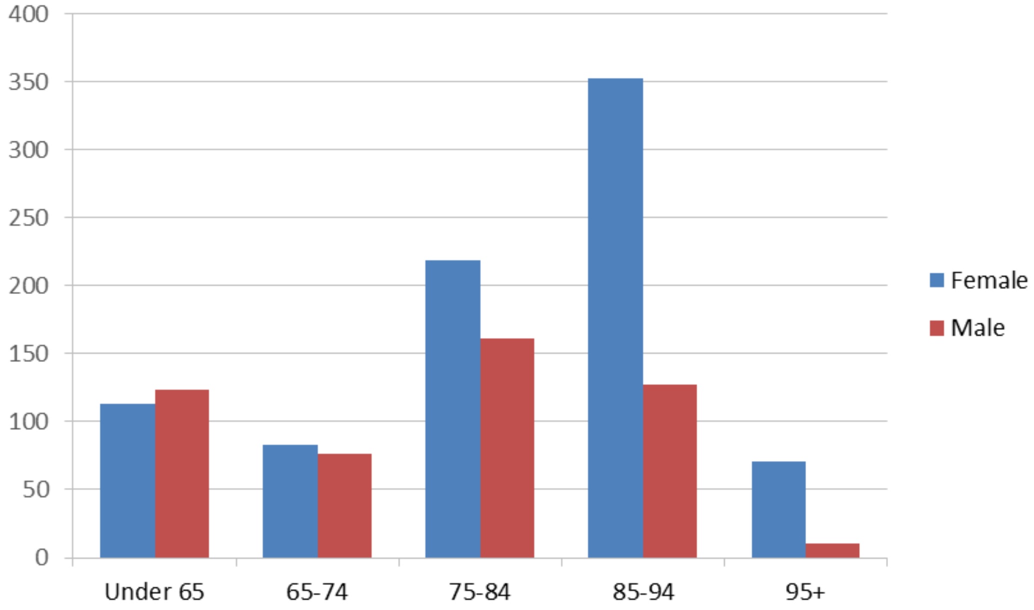


Figure 18: Long-Term Care claimants 31 December 2017.

Section 6 – Tax Funded Services and Benefits

The Department delivers a range of tax-funded, rather than contributory, benefits that are funded directly by the States of Jersey, shown in Table 22.

		2016 £000	2017 £000
Benefits	Income Support: Weekly Benefit	70,469	67,166
	Income Support: Residential & Nursing Care Fees	(10)	-
	Income Support: Transition (Protected) Payments	221	156
	Income Support: Special Payments	741	564
	Income Support: Cold Weather Payments	562	486
	Income Support: Total	*71,983*	*68,919*
	Christmas Bonus	396	333
	Food Costs Bonus	260	259
	Cold Weather Bonus	227	222
	Jersey 65+ Health Scheme / Pension Plus	275	460
	TV Licence Benefit	275	258
	Other Benefits (under £100,000 each)	142	193
States Grant	States Contribution to Social Security Fund	65,300	65,300
	States Contribution to Long-Term Care Fund	34,321	31,795
Total Benefits & Grants		**173,179**	**167,739**

Table 22: Tax-funded benefit expenditure (excluding administration) for 2016 and 2017.

Tax Funded Services – Back to Work

Introduction

In late 2011, existing employment support teams were brought together to form the Back to Work programme. It was established to strengthen the government's response to rising unemployment and complements our benefits system, which is designed to make work pay, and is a key part of the government's strategy of getting people back to work.

The aim of the Back to Work programme is to support people who are actively seeking work, and to help them back into paid employment.

Over the course of 2017, Back to Work has continued to enhance its existing provision in order to provide a swift and flexible response to the needs of both jobseekers and employers. Its role is to:

- Co-ordinate the work of all government employment schemes.
- Develop targeted schemes to support locally qualified jobseekers.
- Build a partnership with employers to provide sustainable job opportunities for locally qualified Islanders.

Teams and Initiatives

The aim of every team and initiative within the Back to Work programme is to get unemployed Islanders working, keep people in work and create new employment opportunities linked to sustainable economic growth. Employers benefit from an increase in support and financial incentives, and jobseekers have access to training and support to improve their confidence, skills and motivation to move into the workplace.

In 2017 Back to Work continued to expand its services to demographics who hadn't previously benefited from targeted support, specifically adults with lower awards of Long Term Incapacity Benefit (LTIA).

Including these groups resulted in an increase in the Actively Seeking Work (ASW) figures, adding an extra 46 people to the ASW figures during 2017. Back to Work also continued to offer its services to parents of nursery school children, bringing in an additional 107 people. Even with these extra groups included, there was an overall decrease in ASW numbers, ending the year at 950: the lowest recorded unemployment figures since September 2009.

Back to Work customers have the support of an Employment Advisor, and can also access training and other work placements to support them into suitable employment and move them towards financial independence.

The number of young people aged 16-24 who were registered as jobseekers fell from 240 to 150 during the year. This represented a great success for targeted Back to Work initiatives for this group, who are especially vulnerable at the start of their working lives.

Back to Work customers can access support from the following specialist teams:

- Advance to Work
- Advance Plus
- Ready for Work
- Work Zone
- Work Right
- Foundations scheme
- Occupational Support Unit (for those jobseekers currently unable to look for work due to serious personal circumstances)

In addition to these teams, Back to Work also includes:

- Back to Work Recruitment – (previously Employer Engagement Team) which provides employers with a tailored recruitment service and financial incentives to encourage them to employ unemployed islanders.

Advance to Work

Advance to Work helps young people who are looking for work make the transition between education and employment. It provides a programme of general and vocational training, personal advisor support and work experience with local employers. Advance to Work's target age group is 16 to 24.

Advance Plus

Advance Plus runs industry-specific schemes for motivated jobseekers aged 20 and over who are registered as actively seeking work. The scheme combines intensive training, a five-week unpaid work placement and advisor support to improve a jobseeker's opportunities for work.

Ready for Work

Ready for Work is the first point of contact for anybody registering as actively seeking work, and provides a referral service across Back to Work should a jobseeker require additional support. The Ready for Work service provides a range of jobseeking support as well as facilities to support jobseekers to find employment.

Work Zone

The Work Zone team of Employment Advisors provide one to one support for work-ready clients through intensive job-seeking activities and training as well as supporting clients already working part time to find more work.

Work Right

The Work Right team offers support and advice about job-seeking to people who are long-term unemployed or have barriers to employment. The team aims to bring its clients closer to finding suitable employment through training and individualised action plans.

Foundations

The Foundations scheme was introduced in 2014. It is designed to support jobseekers who are furthest from employment by bringing them closer to, and back into, employment through providing real work experience. This includes working on manual community benefit projects on various sites across Jersey. The work undertaken benefits the community and would not otherwise have been undertaken, examples include: improvements to National Trust land, the Railway Walk and to the premises of community-based services including Highlands College and Le Squez Youth Club. In 2016, Foundations expanded to include a scanning project for jobseekers more suited to office based work.

Foundations provides workers with:

- Experience of work, to improve their general employability in areas such as attendance, positive attitude, teamwork and motivation to work.
- Construction-based skills that include painting and decoration, external maintenance works, and site maintenance.
- Office based skills that include computer and scanning machinery usage and experience with a range of IT packages and skills such as attention to detail.

Occupational Support Unit

The purpose of the Occupational Support Unit (OSU) is to support clients who are unable to engage with the other Back to Work employment provision, and may be deemed either currently or permanently to have significant barriers to employment for one or more reasons. The advisors on this team will support their clients through referrals to relevant supporting agencies, such as Drug & Alcohol or Mental Health Services, and work in partnership with Probation or other services where required.

Financial Incentives

A number of financial incentives are available to employers to support the long-term employed back into employment. These incentives are managed through Back to Work Recruitment.

- The Employment Incentive offers employers wage reimbursement for the first six months of employment, that is £6,958 (at minimum wage for up to 35 hours per week) for permanent contracts of employment for under 25s who have been registered as ASW for six months or more and jobseekers 25 years old and over who have been registered as ASW for 12 months or more.
- The Hospitality Paid Training initiative provides a financial incentive to hospitality employers who recruit and train candidates with no experience in the industry, with their salaries being paid for the training period for up to eight weeks.
- The Construction Paid Training and Digital Paid Training initiatives fund the wages and Social Security contributions for up to 40 hours per week for up to 12 weeks at minimum wage (up to a value of £3,670) for jobseekers with no experience in this industries.
- The Community Jobs Fund provides up to six months' wages for young or long-term jobseekers employed by a charity or organisation that can provide a role offering a clear, additional benefit to the community.
- In 2017, BTW began working in partnership with Jersey Employment Trust to fund up to 10 roles in the new Acorn Re-cycling Plant. Eligible jobseekers are those who have progressed through the Foundations scheme (either the paid or unpaid strands) and are able to take on a less supported role in either the re-cycling or retail areas on the JET Re-use scheme. Posts are funded by BTW for up to 6 months.

Actively Seeking Work: Statistics

We gather and maintain data on all individuals who are actively seeking work. This data is reported to the Statistics Unit on a monthly basis and is used to produce and publish an independent analysis.

This is illustrated in Figure 19 which shows the number of individuals who were actively seeking work from 2013 to 2017, with 950 people ASW in December 2017 compared to 1,280 in December 2016. In December 2017 approximately one third of those registered as actively seeking work were working part-time, but were required to find more hours under their Income Support requirements.

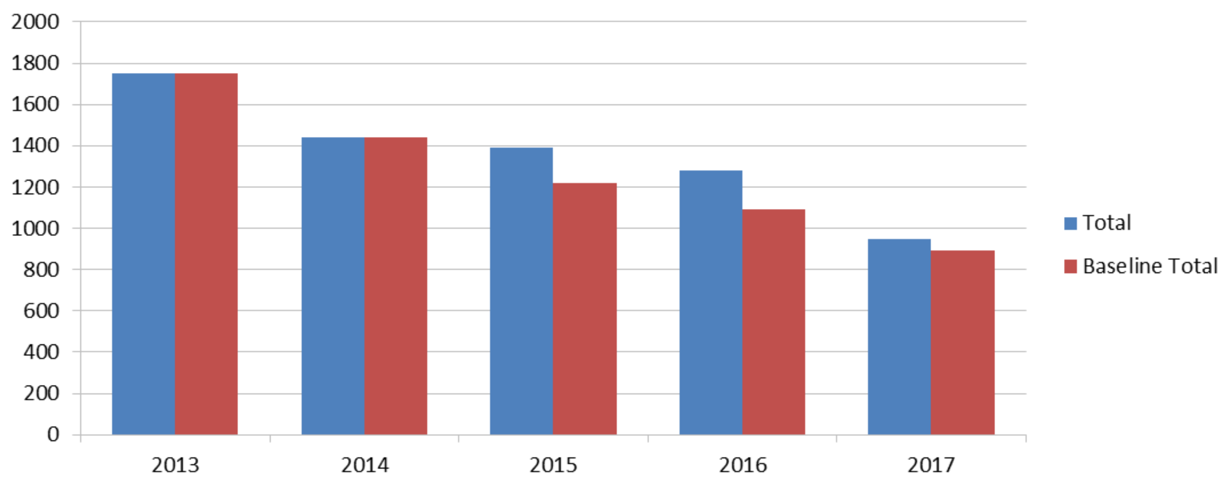


Figure 19: Number of individuals actively seeking work at 31 Dec, 2013 to 2017, including an estimate of the baseline total without additional ASW groups.

As previously noted, changes in ASW reporting since 2015 have resulted in increases to the numbers of people recorded as ASW. These had the effect of including certain Income Support groups in the ASW figures for the first time. Despite this, Back to Work was still able to report a positive trend of decreasing numbers of people looking for work, particularly through the additional support services offered to these groups.

The Back to Work teams and initiatives helped unemployed people into 1,809 paid jobs in 2017, compared to 2,036 in 2016 and 1,910 in 2015 when unemployment levels were higher. There is no doubt that without the investment in Back to Work the numbers of those registered as actively seeking work would have been higher.

Scheme	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Total
WorkZone	123	123	86	55	**387**
Work Right	160	192	187	180	**719**
Long-Term Unemployed Unit and Occupation Support Unit	-	-	37	22	**59**
Advance to Work	57	49	80	85	**271**
Advance Plus	29	45	21	22	**117**
Ready for Work	96	52	52	56	**256**
Total BTW	**465**	**461**	**463**	**420**	**1,809**

Table 23: Numbers of jobs started by customers of each scheme during 2017.

Actively Seeking Work: Demographics of Individuals

There were 2,842 individuals who were actively seeking work at some point during 2017. The split between males and females was approximately 50%, with the largest group being represented by males aged between 16 and 19 (213, 7% of all Islanders in this category registered as actively seeking work at some point during the year).

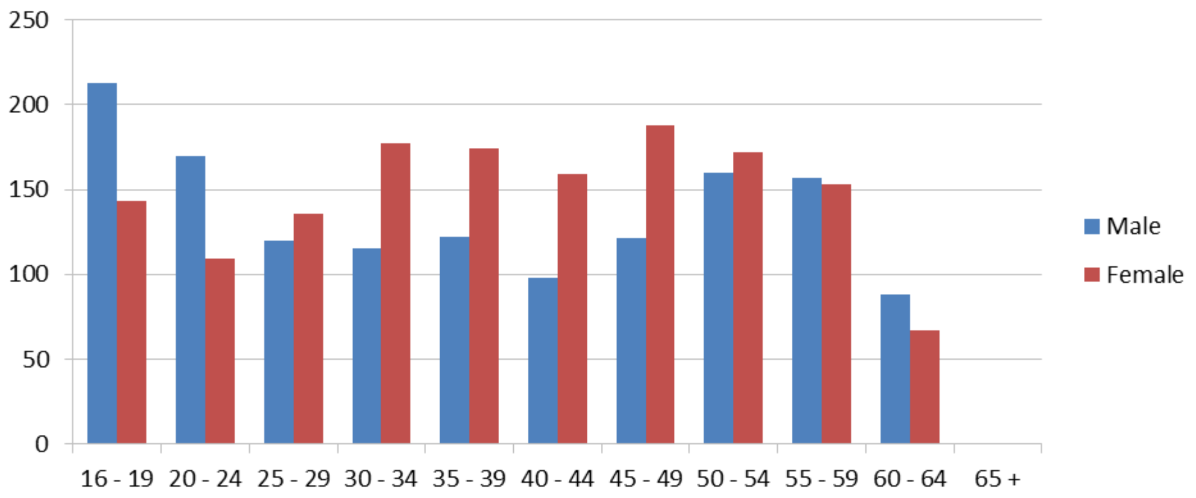


Figure 20: Gender and age bracket of individuals actively seeking work at some point in 2017.

Almost 90% of individuals registered as actively seeking work were part of an Income Support household. This proportion increased in 2017, as new groups of Income Support claimants were brought into Back to Work services. Overall, the proportion of individuals who were long-term unemployed increased during 2017. This is in part due to the additional groups that were introduced in 2015 and 2016 some of whom will have remained actively seeking work into and throughout 2017.

	31 December 2016	31 December 2017
Total No. of individuals ASW	1,280	950
No. of individuals also on Income Support	1,040	840
% of individuals also on Income Support	81%	88%
No. of individuals long-term unemployed	260	230
% of individuals long-term unemployed	21%	24%
No. of individuals aged 16 - 24	240	150
% of individuals aged 16 - 24	19%	16%

Table 24: Numbers and proportions of the three target categories at the beginning and end of 2017.

Tax Funded Services – Jersey Employment Trust

The Jersey Employment Trust (JET) is a charitable trust whose primary role is to assist people with a disability and/or a long-term health condition to find and sustain employment. JET provides a range of employment support services, from pre-vocational education courses, work tasters in its own vocational training areas and work experience placements in other commercial settings. The trust helps people to find suitable employment opportunities and also provides on-the-job training and support.

The grant awarded to JET in 2017 was £1,903,792.

More information can be found on the JET website (http://www.jet.co.je).

Tax Funded Services – Jersey Advisory and Conciliation Service

The Jersey Advisory and Conciliation Service (JACS) is an employment relations service that helps employers, employees and trade unions work together for the prosperity of Jersey business and the benefit of employees. JACS also helps explain the changes in employment and discrimination law that have been enacted and those which are expected in the next few years.

The services provided by JACS seek to:

- Prevent and resolve employment disputes.
- Provide impartial information and advice to employers and employees on employment matters.
- Improve the understanding of employment relations.

The Social Security Department provides an annual grant to JACS in order to deliver its services, which in 2017 was £370,538. In addition to the main JACS services, an outreach service provides proactive and in-house assistance to small employers (typically with 10 or fewer employees) at an early stage in order to help prevent employment related problems arising in the first place, and to remove the perceived barriers to employing staff by ensuring that employers have an essential tool kit of employment documentation.

The Social Security Minister approves board members appointments.

More information can be found on the JACS website (http://www.jacs.org.je/)

Tax Funded Services – Health and Safety Inspectorate

The Health and Safety Inspectorate carries out a wide range of actions aimed at ensuring that people at work and others who could be affected by working activities are not exposed to risks to their health or safety.

These actions, which are prioritised to address serious health and safety issues, include:

- Investigating work-related events which have resulted in death, serious injury or ill health.
- Inspecting high risk workplaces to gain compliance with Occupational Health and Safety (OHS) legislation.
- Providing advice and guidance to enable those seeking help to meet their duties under OHS legislation.
- Taking action on complaints about working conditions and activities within our stated complaints policy.
- Enforcing OHS legislation within the Inspectorate's stated enforcement policy.
- Collating and publishing statistical information on work related accidents and ill health.
- Carrying out targeted action in specific areas to seek improvements in the understanding and management of OHS.
- Supporting industry-led initiatives to improve OHS.
- Developing the legal framework for OHS to support the improvement of the control of risks in the workplace.

The Health and Safety Inspectorate publishes a separate annual report which gives more detail on specific activities.

Tax Funded Benefits – Income Support

Introduction

With expenditure in 2017 of just under £69 million, the Income Support benefit is by far the largest tax-funded benefit that we provide. Within that total, support is provided to households and individuals in a variety of different circumstances. An analysis of the £69 million spent in 2017 is as follows:

Category	2016 £000	2017 £000
Income Support: Weekly Benefit	70,469	67,166
Income Support: Residential & Nursing Care Fees[7]	(10)	-
Income Support: Transition (Protected) Payments	221	156
Income Support: Special Payments	741	564
Income Support: Cold Weather Payments	562	486
Total	**71,983**	**68,919**

Table 25: Categorised 2016 and 2017 Income Support benefit expenditure.

Most of the spending on Income Support is used to provide a weekly benefit to eligible local families. Funding is also available to help with one-off costs. Until the end of June 2014, Income Support also provided financial assistance to people living in care homes. From 1 July 2014 this was replaced by the new Long-Term Care scheme.

Income Support: Weekly benefit

Income Support is a household benefit. The amount paid to an individual household depends on the number of people in the household, where they live, their specific needs, and the income and capital assets of the household.

Income Support is available to households in which at least one adult meets a residence test (of at least five years residence in Jersey). Income Support claimants aged 65 and above are not subject to a work test but every adult aged under 65 must meet a work test by either being in full-time work or being included in an exempt category.

Who receives Income Support?

Income Support legislation includes specific rules as to who is included within an Income Support household. In general terms, an Income Support household comprises an adult claimant and, if applicable, their spouse, civil partner or other long-term partner and dependent children.

For Income Support purposes, children are defined as those aged below compulsory school leaving age.[8]

Young adults above compulsory school leaving age continue to be included within the household of their parents if they are under 25 and actively seeking work or in full-time education.

[7] With the introduction of the Long-Term Care scheme there are very few individuals accessing the Income Support Residential Care Scheme. There continue to be adjustments to previous claims which have resulted in the overall position being negative.
[8] Compulsory school leaving age. A child reaches compulsory school leaving age on 30 June in the academic year in which the child has their 16th birthday. The academic year runs from 1 September to 31 August. Most children will be 16 when they reach compulsory school leaving age, but those with birthdays in July or August will still be 15.

There are additional rules in respect of young people with disabilities.

An extended family living together is considered as separate Income Support households. For example, a couple with two young children sharing accommodation with the wife's parents and the husband's brother and sister-in-law are treated as three separate households:

- The couple and their two dependent children.
- The wife's parents.
- The husband's brother and his wife.

Each household must satisfy the tests for Income Support separately.

At the end of December 2017, a total of 5,763 households were receiving Income Support. These households were made up of: 7,350 adults and 3,122 children.

For this report, these household claims have been split into four groups:

1. 65 years and above **(65+)**: all households that include one or more adults aged 65 or above.
2. Working age adults with no dependent children **(adult/s without children)**: one or more adults all aged below 65, with no dependent children.
3. 2 or more adults with dependent children **(adults with child/ren)**: 2 or more adults aged below 65 with one or more dependent children.
4. Single adult with dependent children **(single adult with child/ren)**: a single adult aged below 65 with one or more dependent children.

The distribution of adults and children amongst these household groups is as follows:

Household Type	No. of Claims	Total No. of Adults	Average (mean) No. of Adults per Claim	Total No. of Children	Average (mean) No. of Children per Claim
65+	1,726	2,065	1.2	6	0.0
Adult/s without children	2,176	2,494	1.1	-	-
Adults with child/ren	859	1,789	2.1	1,586	1.8
Single adult with child/ren	1,002	1,002	1.0	1,530	1.5
Total	**5,763**	**7,350**	**1.3**	**3,122**	**0.5**

Table 26: Number and average number of adults and children on Income Support claims as at 31 December 2017.

Over the previous five years, the distribution of household types across all Income Support claims has remained relatively stable, with a slight decrease in the proportion of adult claims without children. This has been caused in part by changes in the Income Support rules, which now include young jobseekers under the age of 25 in their parents' household. Until 2011, all jobseekers were treated as separate households

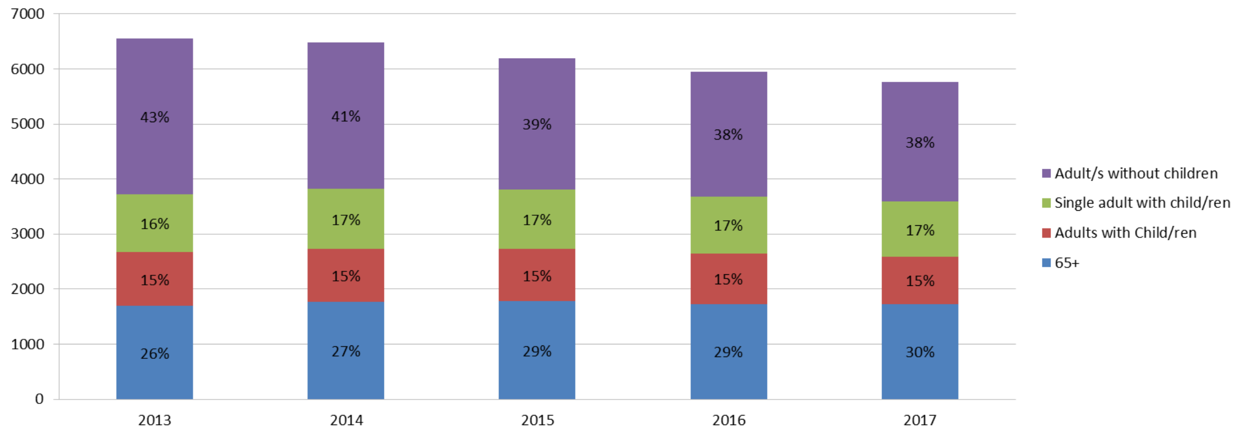


Figure 21: Distribution of income support claims by household type as at 31 December, 2013 to 2017.

Well over half of all Income Support households consist of a single adult without children: 1,900 adults aged up to 65 (33% of all claims), and 1,391 adults aged 65 and above (24% of all claims). Table 27 provides more detail:

Household Type	No. of claims that include:				Total
	1 Adult	2 Adults	3 Adults	4 or more Adults	
65+	1,391	331	4	-	1,726
Adult/s without children	1,900	239	32	5	2,176
Adults with child/ren	-	794	59	6	859
Single adult with child/ren	1,002	-	-	-	1,002
Total	**4,293**	**1,364**	**95**	**11**	**5,763**

Table 27: Number of claims by size and type of household as at 31 December 2017.

Table 28 details the number of children on Income Support claims, by household type:

Household Type	No. of claims that include:				Total
	1 Child	2 Children	3 Children	4 or more Children	
65+	2	2	-	-	4
Adults with child/ren	339	358	126	36	859
Single adult with child/ren	608	293	79	22	1,002
Total	**949**	**653**	**205**	**58**	**1,865**

Table 28: Number of claims that include children by size and household as at 31 December 2017.

51% of claims with children include just a single child.

There are 58 claims which include four or more children. This represents 3% of all claims including children, and 1% of all Income Support claims.

The proportion of Jersey or British people claiming Income Support matches the make-up of the Island's population, the actual numbers in some of the other groups is small.

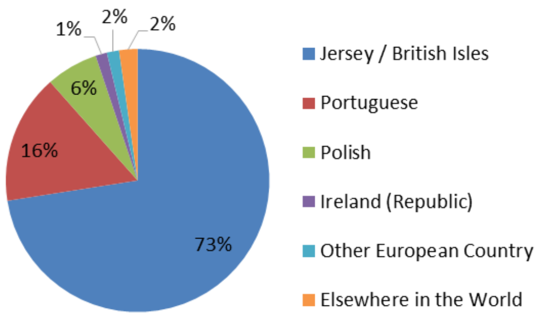


Figure 22: Nationality of working age (16-64) individuals on Income Support as at 31 December 2017.

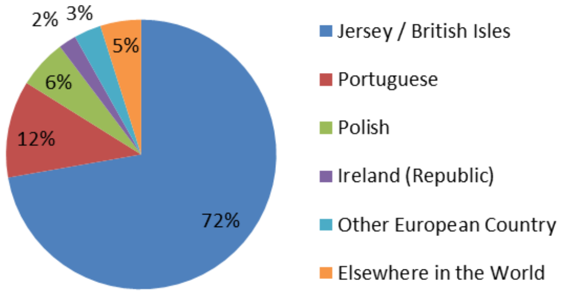


Figure 23: Nationality of working age (16-64) population registered with the Social Security Department as at 31 December 2017.

Overall Claim Rate

For the 5,763 Income Support claims in payment on 31 December 2017, the average (mean) weekly claim rate was £231, with a median value of £210 per week. The spread of Income Support weekly claim rates is shown below:

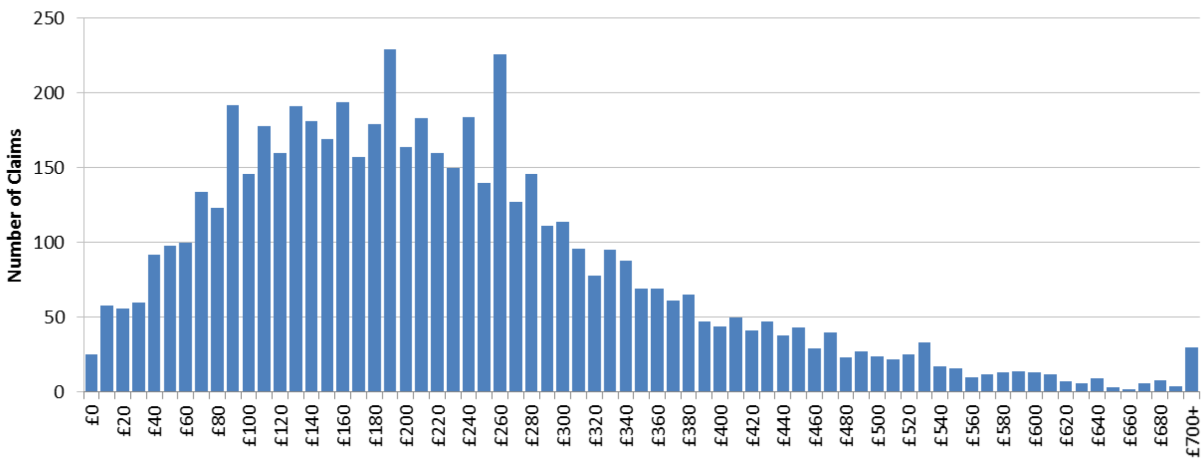


Figure 24: Weekly Income Support claim rate as at 31 December 2017 (rounded to the nearest £10).

At the end of 2017 there were 30 claims with a total weekly benefit above £700. These claims represent large households, many including a child or adult with a significant disability.

Total Household Income

Income Support tops up other household income. Many Income Support households receive income through earnings, pensions, other social security benefits, maintenance agreements and other income. 88% of Income Support households have some other form of income, with the remaining 699 (12%) of Income Support households being totally reliant on Income Support for their weekly income.

As household income from other sources increases, the Income Support benefit decreases until the family is fully self-sufficient. Depending on the source of income, a variety of incentives and allowances are provided to encourage Income Support families to support themselves as far as possible.

Table 29 indicates the average weekly income received from Income Support and from other sources for each of the household types at the end of 2017, as well as the percentages of the Income Support households that are wholly reliant on Income Support.

Household Type	Average Income Support Benefit £	Average Other Income £	Average Total Income £	Percentage of Households wholly reliant on Income Support
65+	£186	£230	£415	1%
Adult/s without children	£197	£168	£366	26%
Adults with child/ren	£284	£526	£810	2%
Single adult with child/ren	£338	£260	£599	11%
Total	**£231**	**£256**	**£487**	**12%**

Table 29: Total average (mean) weekly income based on claims as at 31 December 2017.

The previous five years have seen a significant decrease in the percentage of Income Support households that are wholly reliant on the weekly benefit as their source of income. Table 30 shows that this trend can be seen across all working age household types.

Year	65+	Adult/s without children	Adults with child/ren	Single adult with child/ren	Total
2013	1%	32%	6%	17%	17%
2014	1%	29%	4%	17%	15%
2015	1%	25%	2%	14%	13%
2016	1%	24%	3%	12%	12%
2017	**1%**	**26%**	**2%**	**11%**	**12%**

Table 30: Percentage of Income Support households wholly reliant on Income Support by year and household type as at 31 December, 2013 to 2017.

Earnings

In 2017, Income Support households had total earnings of approximately £44 million. The earned income disregard increased in October 2017 from 23% to 25%. This disregard applies to pension and maintenance as well as earnings. These income disregards (plus an additional 6% in respect of the cost of Social Security contributions) are allowed against the Income Support calculation, providing a real incentive for low income families to take up and remain in work. This means that only 69% of earned income is included in the Income Support calculation.

As at 31 December 2017, the distribution of adults with earnings amongst all claims consisting entirely of working age adults was as follows:

Working Age Household Type	No. of Claims with no Adult with Earnings	No. of Claims with at least one Adult with Earnings	Total No. of Claims	% of Households with no Adult with Earned Income
Adult/s without children	1,459	717	2,176	67%
Adults with child/ren	87	772	859	10%
Single adult with child/ren	371	631	1,002	37%
Total	**1,917**	**2,120**	**4,037**	**47%**

Table 31: Working age adults with and without earnings as at 31 December 2017.

Over the previous five years from 2013 to 2017, the percentage of working age households with no adults with earned income has decreased steadily from 55% to 47%. In addition, the percentage of children in workless households has decreased at a similar rate, as shown in Table 32.

Year	% of Working Age Households with No Earned Income	% of All Children in Working Age Households with No Earned Income
2013	55%	35%
2014	52%	32%
2015	49%	28%
2016	48%	26%
2017	**47%**	**25%**

Table 32: Percentage of children in households with no earned income as at 31 December, 2013 to 2017.

Pensions

The second largest source of income for Income Support households is pensions, worth a total of about £20 million in 2017. For pensioners aged 65 and above whose claim started on or after 1st January 2016 a 25% disregard is applied to any pension income. Pensioners aged 65 and above who were part of an open Income Support claim prior to 1st January 2016 were provided with the larger amount of either a 25%[9] disregard or a weekly allowance against pension income of £55.23 (first pensioner) and £35.77 (second pensioner), enabling the household to receive the greater amount of benefit. These amounts are exempt from the Income Support calculation. The annualised average pension income of 65+ household has increased by 2% on average each year since 2011.

Household Type	Average Annual Pension Income £	No. of Claims that include Pension Income	% of all Households with Pension Income
65+	11,303	1,704	99%
Adult/s without children	6,165	122	6%
Adults with child/ren	4,572	11	1%
Single adult with child/ren	6,344	15	1%
Total	**10,885**	**1,852**	**32%**

Table 33: Average annual pension income in 2017 by household type as at 31 December 2017.

Interest and Investment Income

Actual income received from capital assets is not included in the Income Support calculation. This includes bank interest, share dividends and rental income (in some circumstances). However, the value of capital assets themselves is taken into account to produce a 'deemed' income in some cases (see Capital Assets on page 55).

Maintenance Payments

Following the breakdown of a relationship, maintenance may be paid for a child or ex-partner. In particular, if one parent takes on the main responsibility for the care of the child/ren, the other parent is expected to contribute towards the maintenance of their children. As of 1st October 2017, the allowance provided against maintenance income was increased to 25% in line with other sources of income. Just over half of claims that include a single adult and dependent children receive maintenance as part of the household income.

Household Type	No. of Claims that include Maintenance Income	Annualised average of Maintenance Income per claim £	% of all Households receiving Maintenance Income
65+	10	2,809	1%
Adult/s without children	55	2,104	3%
Adults with child/ren	118	3,188	14%
Single adult with child/ren	518	2,715	52%
Total	**701**	**2,748**	**12%**

Table 34: Annualised average maintenance income by household type as at 31 December 2017.

[9] The pension income disregard increased from 23% to 25% on the 1st October 2017.

Long-term Incapacity

Long-term incapacity allowance (LTIA) and invalidity benefit (INV) are contributory benefits for working age adults who have a loss of faculty. With effect from 1st January 2016, the 6% disregard for LTIA and INV income was removed. An estimate of the total annual income received by Income Support households from these two contributory benefits is £7.7 million.

Household Type	No. of Claims that include INV / LTIA Income	Annualised average of INV / LTIA Income per claim £	% of IS Households receiving INV / LTIA Income
65+	71	5,407	4%
Adult/s without children	915	6,454	42%
Adults with child/ren	149	5,646	17%
Single adult with child/ren	133	4,465	13%
Total	**1,268**	**6,092**	**22%**

Table 35: Annualised average INV / LTIA income by household type as at 31 December 2017.

Other Income

Income Support households receive income from a variety of other sources, including Short Term Incapacity Allowance and income from lodgers. No allowance is provided against these types of income in the Income Support calculation.

An estimate of the total annual income received by Income Support households from other income is £2.5 million.

Charitable Income and Expense Payments

Income received from a charity and expenses paid in connection with voluntary work are not included in the Income Support calculation and do not affect the value of Income Support received.

Income by Household Type

Figure 25 – Figure 28 illustrate the relative weighting of different types of income on average, including Income Support, for each household type receiving Income Support as at 31 December 2017. Each figure identifies the value of income received by the household type, e.g. 52% of the total income received by 65+ households is in the form of pension income:

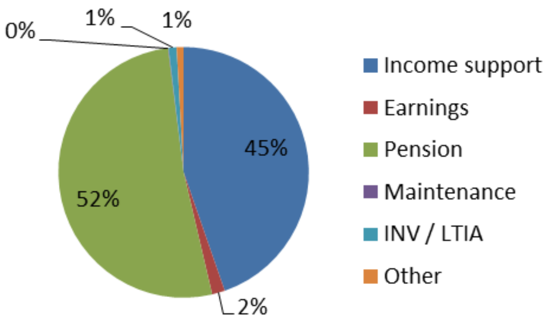


Figure 25: Type of income for 65+ Income Support households as at 31 December 2017.

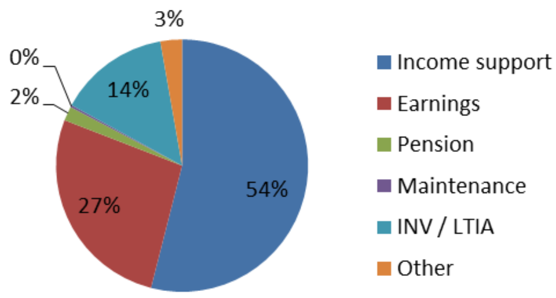


Figure 26: Type of income for 'adult/s without children' Income Support households as at 31 December 2017.

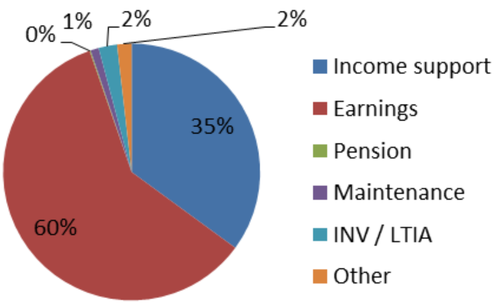


Figure 27: Type of income for 'adults with child/ren' Income Support households as at 31 December 2017.

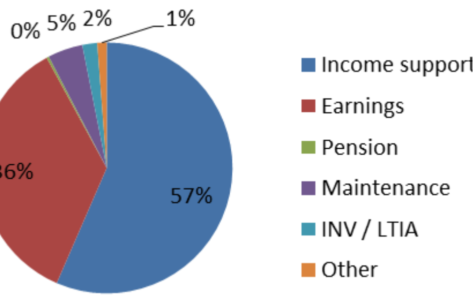


Figure 28: Type of income for 'single adult with child/ren' Income Support households as at 31 December 2017.

Households with no income other than Income Support

A minority of Income Support households do not have any other income. Typically, this could be due to unemployment, a single parent with a young child and no maintenance agreement in place, or an individual with a long-established medical condition who does not qualify for any contributory benefit.

Household Type	No. of Claims Showing no Income on 31 December 2017	% of all Claims of this type
65+	18	1%
Adult/s without children	559	26%
Adults with child/ren	14	2%
Single adult with child/ren	108	11%
Total	**699**	**12%**

Table 36: Income Support households with no other income as at 31 December 2017.

Capital Assets

If an Income Support claimant owns their own home, the value of the property is completely exempt from the Income Support calculation. Other capital assets such as deposit accounts, stocks and shares up to a certain level are exempt from Income Support calculations. These levels are shown in Table 37. Claimants with capital assets above these levels can still receive Income Support but at a lower rate. Benefit is withdrawn at the rate of £1 per week for every £250 of capital assets above the exemption limit. This is achieved by adding a 'deemed' income of this amount to the claim.

Type of Household	Capital Exemption Amount £
Single person - aged 65 or over	13,706
Single person - with personal care component	13,706
Single person - other	9,137
Couple - aged 65 or over	22,718
Couple - at least one with personal care component	22,718
Couple - other	15,145

Table 37: Capital exemption limits as at 31 December 2017.

Table 38 details the number of households that have capital assets either above or below the relevant exemption limit:

Household Type	No. of Claims with Assets below Capital Threshold	No. of Claims with Assets above Capital Threshold	Average Value of Excess Capital above Threshold £	% of all Claims of this type with Capital Assets above Threshold
65+	1,379	347	£11,250	20%
Adult/s without children	2,088	88	£8,295	4%
Adults with child/ren	821	38	£10,504	4%
Single adult with child/ren	976	26	£11,803	3%
Total	**5,264**	**499**	**£10,701**	**9%**

Table 38: Capital assets by household type as at 31 December 2017.

Whilst 20% of 65+ households have some capital savings above the exemption limit, only around 4% of other households have savings above these levels.

Components

Income Support is designed to offer financial support for different day-to-day basic living costs. The amount of Income Support that a household receives will depend on the composition of the household and their current circumstances, such as household income and savings, ages, living arrangements, and any medical condition or care needs of a member of the household. To provide support tailored to specific family circumstances, Income Support is made up of a number of separate components to cover basic living costs, accommodation, childcare, carer, medical and care costs.

In October 2017 the value of most components was increased by 2.9% in line with the RPI and AEI for March 2017.

Basic Components

Adult components

The value of the adult component at 31 December 2017 was £94.85 per week.

The adult component is available to each adult included on the claim who satisfies the five year residency condition. For Income Support purposes, an adult is someone aged above compulsory school leaving age. From 1 August 2012 new claimants who did not satisfy the residency condition no longer received the adult component. For existing claimants who did not satisfy the residency condition the adult component was no longer available after the end of 2012.

Young adults above compulsory school leaving age continue to be included within the household of their parents if they are:

- Under 25 and actively seeking work (jobseeker).
- Under 25 and in full-time education.

There are additional rules for young people with disabilities.

Lone parent component

As of 1 November 2015, the lone parent component is no longer available to new income support claims. For claims that were already receiving this component at that point, the value of the lone parent component was £40.39 above the adult component. This decreased on 1st January 2016 to £30.31, on 1st October 2016 to £20.23 and then again on 1st October 2017 to £10.15, with the additional lone parent component set to be removed completely from 1st October 2018, meaning that single parents receive the value of adult component. The lone parent component is available if there is a single adult on the claim and at least one child and these circumstances have not changed since 1 November 2015. In some circumstances the lone parent component is also paid if there is a second adult aged under 19 included on the claim. At the end of 2017 there were 116 claims in this category.[10] Following a successful proposition lodged by the Health and Social Security Scrutiny Panel, the lone parent component will be reinstated at its original value from 1st June 2018 for all qualifying single parent households.

Child component

The value of the child component at 31 December 2017 was £65.87 per week.

The child component is available for each child on the claim aged up to compulsory school leaving age.

As of 31 December 2017 there were 177 claims that included a child born in 2017.

Household component

The value of the household component at 31 December 2017 was £52.85 per week.

The household component reflects the fixed costs of a household, regardless of the number of people living together. These include some specific items such as household insurance and the cost of a TV licence, together with more general costs such as energy, household maintenance etc. It is not paid to individuals who live with another household (for example, a young unemployed adult aged 25 or above who remains living with his or her parents).

[10] These claims are not included in the “single adult plus dependent children” (single adult with child/ren) category used throughout this report. If the household includes additional younger children, the claim will be identified in the ‘two or more adults with dependent children (adults with child/ren)’ category. Otherwise, the claims will be identified in the ‘Working age adults with no dependent children (adults without children)’ category.

Accommodation Components

Accommodation components are available to both tenants and owner occupiers. Since April 2014, the support provided for tenants reflects the policies approved by the States as part of the Housing Transformation Programme. For private rented properties, maximum component levels are set for each size of unit and the component is only available up to this maximum level, regardless of the actual rent paid. If the rent paid is less than the maximum available, the component is set at the actual value of the rent. For social housing properties, the rent component reflects the actual rent paid in most cases. Owner occupiers have a smaller component available to assist with the cost of parish foncier (owner's) rates and building insurance. An accommodation component is not usually allocated to a claimant aged below 25. However, support is available in certain circumstances.

4% of Income Support claims were in respect of individuals living with other family members. These claimants do not receive accommodation or household components.

Table 39 shows the maximum weekly component available for each type of private dwelling as at 31 December 2017. Social housing rented property is paid according to the reasonable rent charge.

	Owner Occupier rate £	Private Tenant Maximum rate £
Hostel	N/A	103.04
Bedsit/Lodgings	6.58	135.73
One-bed flat	6.58	200.13
One-bed house	6.58	229.39
Two-bed flat	6.58	256.27
Two-bed house	9.31	291.27
Three-bed flat	9.31	275.03
Three-bed house	13.16	340.13
Four-bed flat	13.16	275.03
Four-bed house	13.16	370.79
Five or more-bed flat	13.16	275.03
Five-bed house	13.16	410.48
Six or more-bed house	13.16	410.48

Table 39: Weekly accommodation rates as at 31 December 2017.

Table 40 sets out the number of Income Support households by tenure and property type as at 31 December 2017.

	Owner Occupier	Andium Homes Rental	Housing Trust Rental	Private Rental	Other	Total
Hostel	0	0	0	1	64	**65**
Bedsit/Lodgings	2	181	11	283	86	**563**
One-bed flat	22	1,336	260	624	22	**2,264**
One-bed house	43	133	16	101	20	**313**
Two-bed flat	4	531	133	330	3	**1,001**
Two-bed house	15	263	56	215	1	**550**
3 or more-bed flat	1	26	17	17	0	**61**
Three-bed house	7	320	89	168	1	**585**
Four-bed flat	0	0	1	0	0	**1**
Four-bed house	3	43	8	18	0	**72**
5 or more-bed house	1	3	0	3	0	**7**
Other / None	1	0	0	3	277	**281**
Total	**99**	**2,836**	**591**	**1,763**	**474**	**5,763**

Table 40: Income Support claims by tenure and property types as at 31 December 2017.

At the end of 2017, over half of all Income Support households (59%) occupied an Andium Homes or Housing Trust rental property. 2% (99) of Income Support households were owner occupiers.

Health Components

Income Support health components are available to assist with costs as follows: personal care components (three levels) provide additional support for individuals who have difficulty undertaking basic daily activities; mobility components (two levels) provide support for those who have significant mobility problems outside the home; and clinical cost components (two levels) provide additional support for those who need a higher than average number of GP visits to monitor an ongoing medical condition. Individuals can be eligible for one or more components depending on their particular condition.

34% of claims (1,940 claims in total) had at least one health component included as at 31 December 2017.

Table 41 shows the weekly value of these components at 31 December 2017:

Health Components	Clinical Cost (CC1)	Clinical Cost (CC2)	Mobility Non-Earner (MOB1)	Mobility Earner (MOB2)	Personal Care (PC1)	Personal Care (PC2)	Personal Care (PC3)
Weekly value £	3.29	6.58	23.66	47.32	23.66	104.09	149.52

Table 41: Health component weekly rate value as at 31 December 2017.

Table 42 shows the number of health components included on claims as at 31 December 2017. Note that one claim may appear in more than one column. An overall decrease in the number of Income Support claims along with ongoing reviews of mobility and clinical cost impairment components and the movement of individuals in receipt of a personal care component into Long-Term Care have contributed to a decrease in health components across the board.

Household Type	Clinical Cost (CC1)	Clinical Cost (CC2)	Mobility Non-Earner (MOB1)	Mobility Earner (MOB2)	Personal Care (PC1)	Personal Care (PC2)	Personal Care (PC3)
65+	356	413	462	2	199	169	90
Adult/s without children	306	308	385	20	191	142	180
Adults with child/ren	55	45	71	2	31	11	7
Single adult with child/ren	41	70	44	0	38	7	0
Total	**758**	**836**	**962**	**24**	**459**	**329**	**277**

Table 42: Health components by household type as at 31 December 2017.

Carer's Component

The carer's component is available to the main carer of an individual who has a significant disability (i.e. meets the requirements for the highest level of personal care component: PC3). The carer's component can be claimed by a carer of any age, and at 31 December 2017 had a value of £48.37 per week. The cared for person does not need to be living in the same household as the carer. There were 156 Income Support claims which included a carer's component as at 31 December 2017.

Child Care Component

The child care component is available to assist with the cost of registered childcare to allow a parent to return to employment. Two hourly rates are available depending on the age of the child.

As at 31 December 2017 the rates were: up to £6.79 per hour for children under 3 and up to £5.30 per hour for children aged between 3 and 11.

At the end of 2017, there were 238 Income Support claims which included a total of 314 child care components.

Overall Cost of Components

As the value of Income Support paid to a particular household depends not only on the mix of components that it is entitled to, but also on the other income received by the household, it is not straightforward to report on the value of each component in the total expenditure for Income Support.

However, to enable an analysis of the total cost to be undertaken, a method of allocating costs within the various components has been developed. This method divides the actual Income Support benefit received by a household in proportion to the gross value of each of the components that the household is eligible for, to allocate a specific net value to each of the components.

Whereas most of the analysis provided in this report is based on a detailed analysis of the Income Support claims in payment on the last day of 2017, in order to compare the total spend in 2017 across the range of components, it is necessary to examine expenditure throughout the year. The mix of claims changes over time and the values of some components were increased during the year. The following analysis includes data taken from each month of the year to ensure that trends in the take-up of Income Support and rate changes during the year are represented, and provides approximate net values for the cost of each component group.

Household Type	Living £000	Accommodation £000	Other £000	Total £000
65+	7,076	7,244	1,602	15,922
Adult/s without children	9,624	9,247	2,518	21,389
Adults with child/ren	6,547	4,885	755	12,187
Single adult with child/ren	8,603	8,167	898	17,668
Total	**31,849**	**29,544**	**5,773**	**67,166**

Table 43: Analysis of net expenditure in 2017 by component and household type.

Throughout this section, components have been grouped as follows:

- Living: adult, child, lone parent and household components.
- Accommodation: all accommodation components (tenants and owner occupiers).
- Other: all medical components, carer, and childcare.

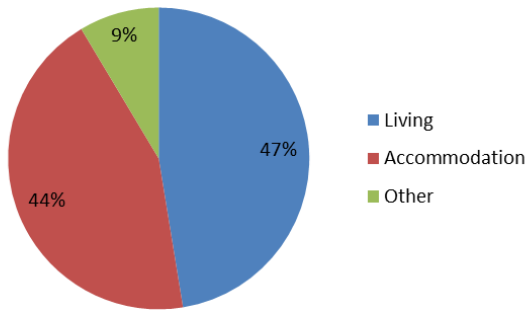


Figure 29: Distribution of 2017 net annual expenditure by component type**.**

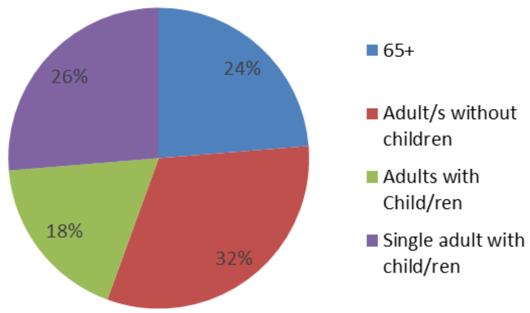


Figure 30: Distribution of 2017 net annual expenditure by household type.

More than 50% of the net expenditure on accommodation components for Income Support households related to accommodation rented out by Andium Homes. Table 43 shows that in terms of rental expenditure, the majority of pensioner Income Support households are accommodated in social housing versus rental accommodation in the private sector, however the split is much more even for households made up of multiple adults and at least one child.

£000	65+	Adult/s without children	Adults with child/ren	Single adult with child/ren	Total
Andium Homes	4,767	4,914	2,248	4,683	16,613
Other Trust Rental	894	748	638	953	3,233
Private Rental	1,360	3,091	1,963	2,490	8,903
Other	214	489	35	40	777
Owner Occupier	9	6	1	2	16
Total	**7,244**	**9,247**	**4,885**	**8,167**	**29,544**

Table 44: Distribution of accommodation net expenditure (£000), by household and tenure type, 2017.

Income Support: Special Payments

The weekly Income Support payments are designed to meet daily living costs. Income Support legislation also allows for larger one off costs to be met through special payment grants or loans. These cover a number of areas as shown in Table 45:

Description	No. of Payments as Grants	No. of Payments as Loans	Value £000
Essential household equipment	1	208	132
Rental deposit	1	176	229
Removal expenses	1	18	102
Medical expenses	550	110	218
Funerals	30	-	57
Loan repayment / Adjustment			(175)
Total	**583**	**512**	**564**

Table 45: Special payments in 2017

Income Support: Cold Weather Payments

Cold weather payments are made to selected Income Support households during the winter months. Cold weather payments are calculated for the months of October to April if the temperature drops below a certain level. Payments are made in arrears, i.e. October's payment is made in the first week of November.

The cold weather payment for a month is made to any household receiving Income Support that, for the whole of the month, includes one of the following:

- someone over 65 years old,
- a child under the age of 3, or
- someone receiving personal care level 3 component.

In 2017, the following cold weather payments were made:

	Jan	Feb	Mar	Apr	...	Oct	Nov	Dec	Total 2017 Value
Value £	65.11	37.64	21.79	15.01		0.00	20.86	43.22	203.63

Table 46: Monthly cold weather payment values in 2017.

In 2016, the total value of cold weather payments was £486,000 with an average (mean) of 2,372 households receiving a payment each month.

Income Support: Ministerial Exceptional Payments

The Income Support law provides a set of rules against which benefit decisions are made. Inevitably, from time to time an unusual situation will arise that is not covered by the standard rules and, in the event of an exceptional circumstance, the Minister has the power to make payments outside of the standard Income Support rules. Payments authorised under these powers in 2017 totalled £62,000; however, some payments may run across more than one calendar year. The cost of these payments is reported within the weekly Income Support costs.

Income Support: Child Personal Care Benefit

In September 2014 the States Assembly agreed to introduce a new benefit whereby parents of children who meet the requirements for the highest levels of the impairment award can receive a payment in respect of the child, **independent of parental income**.

This came into force for children with personal care level 3 awards on 17th September 2014 and was extended to children with personal care level 2 awards on 1st January 2015.

On 31st December 2017 there were 118 children with level 3 personal care needs receiving a child personal care benefit of £149.52 per week, and 55 children with level 2 personal care needs receiving a child personal care benefit of £104.09 per week. A total of £1.2m was paid out in Child Personal Care Payments in 2017, an increase of £143,000 on 2016. This value is reflected as part of the total for Income Support: Weekly Benefit shown in Table 22

Tax Funded Benefits – Christmas Bonus

The Christmas Bonus is a lump sum benefit of £84.87 (in 2017) that is paid in December to:

- people aged 65 or over who, in November 2017, were:
    - members of Pension Plus and / or
    - receiving Income Support
- members of Income Support households who in November 2017:
    - had a significant disability and received the personal care impairment component level two or three
    - were full-time informal carers and received the carer's component of Income Support
- people who claimed Long-Term Care and who received means-tested support with their living expenses in November 2017

The States Assembly agreed to annul the previous Christmas Bonus Law in 2015 and the December 2015 payment was the final amount paid under that Law. New legislation is now in place and the total Christmas Bonus cost for 2017 was £333,000, supporting these targeted groups.

Tax Funded Benefits – Food Costs Bonus

The States Assembly agreed a three year renewal of the Food Costs Bonus during 2016. This Bonus is payable to any household that has an income too high to qualify for Income Support but too low to pay Income Tax. Only one Food Costs Bonus may be claimed per household and at least one member of the household must have been resident in Jersey for at least five years.

The Food Costs Bonus is an annual payment - £226.95 in 2017 - to help households with the cost of food and the Goods and Services Tax (GST) that is charged on food. In 2017, a total of 1,189 households received the Food Cost Bonus, of which 37 were for 2016, with a total payment for 2017 of £259,000.

Tax Funded Benefits – Cold Weather Bonus

The Cold Weather Bonus is based on the monthly Cold Weather Payments made to Income Support claimants - £203.63 in total for 2017. The Bonus extends eligibility to lower income households that do not pay tax and where at least one adult aged 65 years or over is receiving a Jersey old-age pension or has been living in Jersey for at least 10 years.

Using the same method as the Income Support Cold Weather Payment, the Bonus is designed to help pensioner households with the cost of heating during the winter months. The Bonus is paid in two instalments; once in May, for the months January to April, and then again in January of the following year, for the months of October to December.

In 2017, 1,026 households received a Bonus for the months January to April and 1,000 received a Bonus for the months October to December. The total amount paid in 2017 was £222,000.

Tax Funded Benefits – Pension Plus

The Pension Plus scheme started on 1st January 2017 and replaced the Jersey 65+ Health Scheme in assisting lower-income pensioners with the costs associated with dental, optical and chiropody services. It is available to those anyone aged 65 or over who is receiving a Jersey Old Age Pension and/or has “entitled” residential status, does not pay income tax and has capital assets less than £30,000 (excluding their home). In 2017 the Scheme provided the following benefits:

Optical

- every two years, up to £40 towards an eye test.
- every two years, up to £120 towards new prescription spectacles, lenses or contact lenses.

Dental

- every year, up to £40 towards a dental check-up.
- every two years, up to £700 towards dental treatments or dentures.

Chiropody

- every year, up to £120 towards the cost of chiropody treatment from a HCPC registered chiropodist.

As of 31st December 2017 there were 2,510 pensioners registered under the scheme, and there were 5,777 claims during 2017 at a total cost of £409,000. In addition to this, a total of £51,000 was spent as carry over from the previous 65+ Health Scheme.

Tax Funded Benefits – 75+ TV Licence Benefit

Those who are over 75 years old and have an annual income that is below £16,070 for single pensioners and £26,170 for pensioner couples, and fulfil certain other criteria, qualify for a payment equivalent to the cost of a full TV licence.

In 2017, nearly all the 1,730 people claiming the TV Licence Benefit received the full amount of £145.50 at a total cost of £258,000.

Tax Funded Benefits – Other Benefits

In 2017 there were three other benefits funded from taxation:

1. **The Jersey Dental Fitness Scheme** is available to help towards the cost of dental treatment for young people between the ages of 11 and 21 dependent on the existing health of their teeth and family income.

2. **Housing Adaptation Grants** are made to assist those living in privately owned or rented accommodation to make adaptations to their property that will enable them to continue living independently at home where they have a particular clinical need, as assessed by the occupational therapy team.

3. **Non-Contributory Death Grants** are made where the deceased has not made sufficient contributions but was Jersey born and has been ordinarily resident in the Island for the 12 months prior to the date of his/her death; or if not Jersey born, have been ordinarily resident in the Island for a total period of at least 12 years at any time before death. Death Grants for those with sufficient contributions are funded from the Social Security Fund.

The table below shows the total value paid for each benefit in 2016 and 2017:

Benefit	**2016 £000**	**2017 £000**
Dental Fitness Scheme	102	98
Childcare Support	7	-
Housing Adaptation Grants	8	79
Non-Contributory Death Grants	24	17
Total	**142**	**193**

Table 47: Total value of other benefits administered using tax funding for 2016 and 2017.

Departmental Administration Costs

The following table shows all of the costs not displayed on the previous pages, which contribute to the total gross expenditure of £504.1 million for 2017.

	2016[11] £000	**2017 £000**
Income	(1,691)	(1,962)
Staff Costs	12,174	12,739
Non-Staff Costs	12,847	11,587
Total Administration Costs	**23,330**	**22,364**

Table 48: **Social Security Department administration costs, 2016 and 2017.**

[11] 2016 figures have been restated since the 2016 Annual Report

Appendix: Summary of legislation approved or amended in 2017

Ref.	Link	Notes	Made/approved	Coming into force
L-20-2016	EMPLOYMENT (AMENDMENT NO. 10) (JERSEY) LAW 2016	Introduces employment protection for armed forces reservists, and compensation awards relating to terms of employment, pay slips and rest days.	25 May 2016	1 April 2017
R&O-032-2017	LONG-TERM CARE (BENEFITS) (AMENDMENT NO. 3) (JERSEY) ORDER 2017	Increases the daily rate for each benefit and care cost cap by 2.67% from 1 April 2017	10 March 2017	1 April 2017
L-12-2017	INCOME SUPPORT (AMENDMENT NO. 2) (JERSEY) LAW 2017	Enabling power to provide for regulations to create a new type of personal care component	14 March 2017	19 May 2017
R&O-044-2017	LONG-TERM CARE (BENEFITS) (AMENDMENT NO. 4) (JERSEY) ORDER 2017	Addresses a minor inaccuracy in the rate specified for the highest level of LTC benefit	30 March 2017	1 April 2017
R&O-058-2017	INCOME SUPPORT (AMENDMENT NO. 15) (JERSEY) REGULATIONS 2017	Provides a new type of personal care component that falls below the level to qualify under the Long Term Care Law	30 June 2017	1 July 2017
R&O-063-2017	HEALTH INSURANCE (PHARMACEUTICAL BENEFIT ADVISORY COMMITTEE) (JERSEY) ORDER 2017	Enables the requirements for constituting the PBAC to be removed from the primary legislation and established in ministerial Order	30 June 2017	7 July 2017
R&O-064-2017	INCOME SUPPORT (GENERAL PROVISIONS) (AMENDMENT NO. 20) (JERSEY) ORDER 2017	Provides the administrative procedures to process claims and make decisions in respect of the new personal care component	30 June 2017	1 July 2017
R&O-066-2017	HEALTH INSURANCE (PERFORMERS LIST FOR GENERAL MEDICAL PRACTITIONERS) (AMENDMENT) (JERSEY) REGULATIONS 2017	Provides for qualified medical practitioners who are trainee GPs to be included on the Performer's List for a time limited period	4 July 2017	11 July 2017
R&O-077-2017	INCOME SUPPORT (AMENDMENT NO. 16) (JERSEY) REGULATIONS 2017	Increases across income support components from 1 October 2017	19 July 2017	1 October 2017
R&O-090-2017	INCOME SUPPORT (GENERAL PROVISIONS) (AMENDMENT NO. 21) (JERSEY) ORDER 2017	Increases income disregards plus minor clarifications to wording regarding maintenance payments	25 August 2017	1 October 2017
R&O-093-2017	HEALTH INSURANCE (MEDICAL BENEFIT) (GENERAL PROVISIONS) (AMENDMENT NO. 9) (JERSEY	Further expands contract mechanisms to support the development of sustainable primary care	11 September 2017	12 September 2017
R&O-102-2017	HEALTH INSURANCE (PHARMACEUTICAL BENEFIT) (GENERAL	Amends the period of supply for several medicines from 30 to 90 days	6 October 2017	13 October 2017

	PROVISIONS) (NO. 2) (AMENDMENT NO. 14) (JERSEY) ORDER 2017			
R&O-109-2017	EMPLOYMENT (MINIMUM WAGE) (AMENDMENT NO. 11) (JERSEY) ORDER 2017	Increases the minimum wage and trainee rates	20 October 2017	1 April 2018
R&O-110-2017	INCOME SUPPORT (GENERAL PROVISIONS) (AMENDMENT NO. 22) (JERSEY) ORDER 2017	Minor clarifications to the wording of the Income Support (General Provisions) (Jersey) Order 2008	20 October 2017	21 October 2017
R&O-112-2017	HEALTH AND SAFETY AT WORK (FREIGHT CONTAINERS SAFETY CONVENTION) (AMENDMENT) (JERSEY) REGULATIONS 2017	Updates the regulations to comply with International Treaty obligations	31 October 2017	7 November 2017
R&O-113-2017	SOCIAL SECURITY (CHRISTMAS BONUS) (AMENDMENT) (JERSEY) REGULATIONS 2017	Provides a Christmas Bonus to Pension Plus pensioners	31 October 2017	1 November 2017
R&O-130-2017	EMPLOYMENT (MINIMUM WAGE) (AMENDMENT NO. 14) (JERSEY) REGULATIONS 2017	Increases the maximum amounts that may be offset against minimum wage where the employer provides accommodation and meals	13 December 2017	1 April 2018
R&O-132-2017	LONG-TERM CARE (BENEFITS) (AMENDMENT NO. 5) (JERSEY) ORDER 2017	Increases the daily rate for each benefit and care cost cap by 1.5% from 1 January 2018	15 December 2017	1st January 2018

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