

**DRAFT ACT AMENDING THE ACT OF THE STATES DATED THE 27TH DAY OF APRIL 1999
ESTABLISHING A SCHEME TO MAKE CHILD CARE MORE AVAILABLE FOR LOW INCOME FAMILIES**

**Lodged au Greffe on 11th April 2000
by the Employment and Social Security Committee**



STATES OF JERSEY

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On 27th April 1999, the States approved the establishment of a scheme to make childcare more available for low income families. In essence, the scheme provides financial support through the income tax system to those in the marginal tax band, and an allowance to people whose income is sufficiently low that they do not pay income tax.

Clearly, as changes in the income tax system are made which affect the marginal tax bands, some changes need to be made to the childcare allowance system to maintain the balance between tax and benefit. Accordingly, following the approval of changes in the tax thresholds in December 1999, the Employment and Social Security Committee are recommending changes to the childcare allowance parameters.

As the Scheme was only introduced in May 1999, the Committee are not proposing changes to any other parameters. However, the Employment and Social Security Committee will be reviewing the allowance in conjunction with the Jersey Childcare Trust later in the year.

At the end of January 2000, the number of claimants receiving Childcare Allowance was 160 and the monthly cost of the benefit was approximately £40,000. The total cost of the benefit since its inception is approximately £440,000, but this figure is not necessarily indicative of future costs. These amendments to the income levels can be funded from within the childcare budget inscribed for the year 2000.

Explanatory Note

This Act will increase the minimum and maximum levels of income that a person may earn in order to qualify for the help with child care costs payable to working people whose income is such that they do not benefit from an income tax child care allowance. The revised income parameters reflect the recent Budget changes.

Act amending the Act of the States dated the 27th day of April 1999 establishing a scheme to make child care more available for low income families

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THE STATES, adopting a proposition of the Employment and Social Security Committee, have amended their Act dated the 27th day of April 1999 establishing a Scheme to make child care more available to low income families,^[1] with effect from 1st January 2000 as follows -

- (a) by substituting for the figure “£3,027” in Article 4(1)(c), in both places where it occurs in Article 5(2) and in Article 6(1)(a) the figure “£3,302”; and
- (b) by substituting for the figure “£23,150” in each place where it occurs in Article 5(2) the figure “£24,250”.

^[1] No. 9389.