

STATES OF JERSEY



DRAFT FAMILY ALLOWANCES (JERSEY) REGULATIONS 200-

**Lodged au Greffe on 18th October 2005
by the Employment and Social Security Committee**

STATES GREFFE



Jersey

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REPORT

The Employment and Social Security Committee believes that Family Allowance is an extremely important benefit being the allowance specifically targeted to low income families as a contribution to the general cost of bringing up dependant children. It is aimed at those families below the tax threshold and is assessed on the returns made to the Income Tax Department. The benefit is not, therefore, designed or structured to meet immediate need as it is based on this "historic" income. However, Family Allowance is a vital component in the current series of means tested benefits available to low income families in Jersey. The Committee continues to make good progress in developing a system of income support which ultimately will subsume Family Allowance in 2007.

In the meantime the Committee needs to maintain the existing Family Allowance Scheme and under Article 12 of the Family Allowance (Jersey) Law 1972, the rates of the allowance are required to be reviewed in relation to the cost of living and general standard of living of the community. The Committee is proposing an increase of 3.6% on existing maximum rates reflecting the increase in the cost of living at June this year.

The table below gives examples of current weekly rates and proposed weekly rates for a two child family –

Annual Income	Current Rate	Proposed Rates
6,600	108.96	112.88
8,600	89.84	93.07
10,600	66.65	69.05
12,600	43.47	45.03
14,600	20.29	21.02

Financial and Manpower Statement

The Committee estimates that the cost of the Family Allowance System, including these proposals will be within the cash limit set for the year 2006 and there are no manpower implications.

Explanatory Note

These Regulations increase the maximum annual rates of allowance in respect of each child of a family by 3.6% with effect from 3rd January 2006.

The decline point, the maximum level of family income and the minimum annual rate of the allowance in respect of any number of the children of a family are unaltered.



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Made

[date to be inserted]

Coming into force

[date to be inserted]

THE STATES, in pursuance of Article 6 of the Family Allowances (Jersey) Law 1972,^[1] have made the following Regulations –

1 Amount of allowances and rates

For the purposes of Article 6 of the Family Allowances (Jersey) Law 1972 the following amounts are specified in respect of the family allowance year beginning on 3rd January 2006–

- (a) £3,166 shall be the maximum annual rate of the allowance in respect of the first child of a family;
- (b) £2,704 shall be the maximum annual rate of the allowance in respect of the second child of a family;
- (c) £2,557 shall be the maximum annual rate of the allowance in respect of each of the children of a family born after the first two children;
- (d) £6,950 shall be the decline point;
- (e) the amount found by adding to £11,950 the sum of £2,200 in respect of each child of the family shall be the maximum level of family income; and
- (f) £52 shall be the minimum annual rate of the allowance in respect of any number of the children of a family.

2 Repeal

The Family Allowances (Jersey) Regulations 2004^[2] shall be repealed.

3 Citation

These Regulations may be cited as the Family Allowances (Jersey) Regulations 200 and shall come into force on 3rd January 2006.

[1] Chapter 26.400.

[2] R&O.155/2004.