

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 16TH JANUARY 2018**

Question

In respect of promoting additional pension saving by the Island's workforce, will the Minister advise –

- (a) what progress, if any, she has made in developing policy in this area in the last 18 months and, if none, why;
- (b) whether she or her officers have had meetings during this period with the Minister for Treasury and Resources or his officers where this was an agenda item and, if so, will she release any notes / minutes of such meetings;
- (c) given that “*developing stakeholders*” was a target for 2017, what meetings have been held with organisations such as the Institute of Directors, the Chamber of Commerce, insurers, actuaries or others, and will she release the notes / minutes of any such meetings and state what new targets have been set for 2018;
- (d) whether her Department has done further research on the results from the 2015 Jersey Annual Social Survey on pension provision, including on what proportion of the workforce (by age and by income quintile) has additional pension provision or will be reliant on States support; and
- (e) when she expects to bring forward proposals for workplace / stakeholder pension provision to match developments in Guernsey and the U.K.?

Answer

This answer is ordered (a), (c), (e), (b), (d). Parts (a), (c), (e) are together because the questions ask about the past, present and future for policy concerning financial security in later life.

(a) Promoting additional pension saving by Jersey's workers is part of the bigger question of - How should the government support all of Jersey's people, whether they work or not, to save for retirement and be financially secure later in life?

This policy area is included in the Social Security Review which the Minister started in October 2016. The public consultation (Living Longer: Thinking Ahead part 1) questionnaire asked for views and experiences about saving for retirement, and there were also workshops with local organisations, experts and members of the public. All the details can be found at www.gov.je/socialsecurityreview

(c)

The aim for 2017 for the ‘saving for retirement part’ of the Review was to build on the 2016 consultation and identify and build relationships with stakeholders and experts who could help with the next stage in 2018.

During 2017, departmental officers talked to a range of stakeholders about the ‘saving for retirement’ part of the review to raise awareness, gather initial views and ideas, find out who the experts are, and

learn how other countries are supporting saving for retirement (including promoting additional pensions saving for workers). The stakeholders include:

- Jersey Consumer Council
- Jersey Financial Services Commission
- Jersey Chamber of Commerce
- Jersey Business
- Health and Social Security Scrutiny Panel officer briefing and quarterly hearings
- Officers in the States of Guernsey to find out about their planned auto-enrolment workplace pension scheme
- Officers from the UK government Department for Work and Pensions to find out more about their auto-enrolment workplace pension scheme
- Officers from the Isle of Man government to find out about their plans for supporting saving for retirement
- International Social Security Association
- Jersey pension industry experts and representatives
- Actuaries
- Financial Advisors

These were exploratory contacts and meetings that were not formally minuted.

(e)

For 2018, the Minister is supporting research that will identify and assess what options to encourage retirement saving are, and are not, suitable for Jersey. This will include the option of introducing a workplace pension scheme like the UK or Guernsey. The Minister is not going to bring forward any proposals until the research has been completed. The next Minister and government will be able to consider the research before deciding what the proposals will be.

(b)

SSD officers have met informally with Treasury officers to discuss parts of the Social Security Review. There were no meetings to specifically discuss promoting additional pension saving. The department is going to work with Treasury officers and other relevant stakeholders and experts this year to complete the research.

(d)

The pension section of the 2015 Jersey Annual Social Survey (JASS) explored:

- The age of stopping work
- Encouraging a later retirement age
- Sources of income in retirement (including workplace and private pensions, and % of people who said they were/will rely on the States to look after them in retirement)
- Standard of living in retirement
- Introduction of new pension schemes
- Sustainability of the Social Security scheme

The responses to the questions in this section will not change very much from year to year, unless there are significant changes in saving behaviour or government policy. For example, in both the 2008 and 2015 JASS, the % of people that agreed that they had a good workplace pension remained at about 36%.

The first part of the Social Security Review consultation was designed to build on the results of the 2015 JASS and provide new information to help guide the Social Security Review, including how government should support people to save for retirement and be financially secure in later life.