STATES OF JERSEY



DRAFT COMMUNITY COSTS BONUS (AMENDMENT) (JERSEY) REGULATIONS 202-

Lodged au Greffe on 2nd August 2022 by the Minister for Social Security Earliest date for debate: 13th September 2022

STATES GREFFE

2022 P.83/2022

REPORT

In 2020, the <u>Community Costs Bonus (Jersey) Regulations 2020</u> replaced the previous Food Costs Bonus Regulations. The bonus originally offered compensation for the cost of GST levied on food among certain household groups.

The bonus is a household benefit and is available to those households that:

- do not receive income support;
- are not liable to pay income tax;
- include at least one member who has been ordinarily resident in Jersey for at least 5 years.

It is claimed annually by submitting an application form. Approximately 1,000 Islanders currently claim the bonus.

As part of a package of measures to assist Islanders with the rising cost of living, the Council of Ministers has developed a "mini-budget" (P.80/2022). One element included in that budget is the doubling of the value of the Bonus for 2022, this will provide extra support to Islanders eligible to claim this benefit.

Therefore, the Minister for Social Security is lodging these amending Regulations which, if adopted, will increase the value of the Bonus for 2022 from £258.25 to £516.50.

The mini budget also allows for a significant increase in the uptake of the Bonus. It is estimated that up to 7,000 households may be eligible for the Bonus. A communications campaign will highlight the Bonus and encourage applications from these households over the autumn.

The Bonus is supported by triennial Regulations which expire at the end of 2022. Work will be undertaken in the coming months to review the overall scheme and put forward plans for the Bonus in 2023 and future years.

Financial and manpower implications

Providing an increased amount of £516.50 per household results in an additional cost of approximately £0.5M if utilised by the approximately 1,000 households that usually receive the bonus.

In addition, the plan to increase awareness and uptake of the bonus itself could lead to significant additional claims this year. A total budget of £3.5 million has been allocated to support the communications campaign and the cost of administering and paying the additional bonuses. This includes up to 1 FTE of temporary administrative resource to support an increased volume of applications.

These costs will be drawn from existing allocated Tax Funded Benefit departmental budgets.



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EXPLANATORY NOTE

The Community Costs Bonus (Amendment) (Jersey) Regulations 202-, if passed, would amend the amount of bonus payable under the Community Costs Bonus (Jersey) Regulations 2020. The amount currently payable for the year 2022 is £258.25. The amendment doubles the amount to £516.50.

These Regulations come into force 7 days after they are made.



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DRAFT COMMUNITY COSTS BONUS (AMENDMENT) (JERSEY) REGULATIONS 202-

Made
Coming into force

[date to be inserted]
[date to be inserted]

THE STATES make these Regulations under the Order in Council dated 28th March 1771 –

1 Amendment of the Community Costs Bonus (Jersey) Regulations 2020

For the text of Regulation 5 (amount of bonus) of the <u>Community Costs Bonus</u> (<u>Jersey</u>) <u>Regulations 2020</u> there is substituted –

- "(1) For the years 2020 and 2021 the amount of the bonus is £258.25.
- (2) For the year 2022 the amount of the bonus is £516.50.".

2 Citation and commencement

These Regulations may be cited as the Community Costs Bonus (Amendment) (Jersey) Regulations 202- and come into force 7 days after they are made.



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