
STATES OF JERSEY

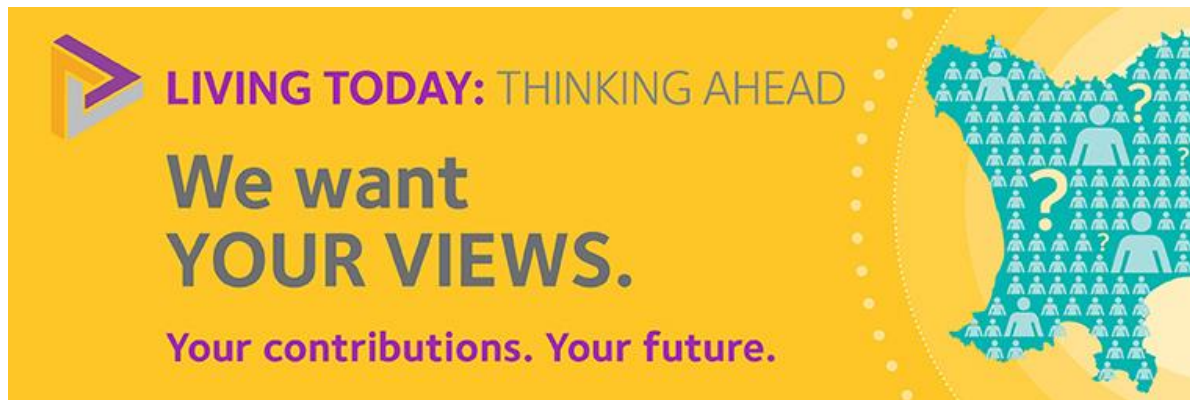


CONTRIBUTORY BENEFITS: LIVING TODAY – THINKING AHEAD – PUBLIC CONSULTATION

Presented to the States on 4th October 2017
by the Minister for Social Security

STATES GREFFE

Contributory Benefits: Living Today - Thinking Ahead



Page 1: Introduction

This is the **second part** of a major review which is looking at the Social Security contributory scheme.

From the responses to the first part of the consultation in 2016 we know we want to keep an old age pension which is paid to all pensioners, based on the number of years' contributions they have made. Over the next 20 years the number of pensioners will increase by 65% so the scheme will need to change to meet this extra cost.

This year we are looking at the way the scheme protects us during our working lives and how these needs have changed in the last few decades.

Your feedback will help us plan how we manage the Social Security Fund in the future so that it can continue to provide benefits that people value.

This questionnaire will take you about 10 minutes. The videos give you more background information.

You can also give us comments at the end.

Page 2: Social Security and Contributory Benefits

At Social Security, we pay many different benefits.



We help low income families with basic living costs through the Income Support scheme – this is paid for through taxes



Long term care benefits are paid from their own fund. They help adults who have long term care costs



We help with GP and drug costs with benefits from the Health Fund

These benefits are not part of this review.

This review is only about benefits paid through Social Security contributions. We call these contributory benefits.

The Social Security contributory scheme protects you like an insurance scheme. You pay in contributions and receive contributory benefits at times when you might not be able to earn a living. The main benefit paid out is the old age pension.

VIDEO 1

See Video Index

Contributory benefits also protect you if you are ill or have a disability. We will look at these in detail next year.

This year we are looking at contributory benefits that help to protect you when:



You are starting a family



Your partner dies.



Page 3: Let's get started...

Tell us a little about you:

1. How old are you?

- Under 25
- 25 to 34
- 35 to 44
- 45 to 54
- 55 to 64
- 65 to 74
- 75 or over

2. How do you identify your gender?

- Male
- Female
- Other
- Prefer not to disclose

3. What is your employment status?

- Employed
- Self-employed
- Retired
- Other - Please specify

Comments:

4. What is your relationship status?

- Single
- Married / civil partnership
- Living with a partner
- Separated
- Divorced
- Widowed

5. Where were you born?

- Jersey
- England, Wales, Scotland, Northern Ireland, other Channel Islands, Isle of Man or the Republic of Ireland
- Portugal or Madeira
- Poland
- Other European country, specify country
- Elsewhere, specify country

Comments:

6. Do you live in Jersey?

- Yes
- No, but I used to live in Jersey
- No, I have never lived in Jersey



Page 4. More about you

7. How long have you lived in Jersey?

- Less than 1 year
- Less than 2 years
- Less than 5 years
- Less than 10 years
- More than 10 years

8. How did you hear about this survey?

- www.gov.je
- Advert on another website
- Newspaper or magazine
- Radio
- Television
- Social media
- Poster
- I was handed a card
- I attended an event
- Word of mouth
- Other (tell us more below)

Comments:



Page 5: You and your contributory benefits

Contributory benefits are based on a maximum benefit rate of just over £200 a week.

How much money you get depends on:

- your contribution record
- the rules of each benefit

It doesn't matter what your income is or if you have savings or own your own house.

VIDEO 2

[See Video Index](#)

9. Have you ever claimed a contributory benefit in any of these situations?

	Yes	No	Don't know
I am over pension age (OAP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I've been signed off work (STIA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I've had a long term illness or disability (LTIA or Invalidity Benefit)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I've had a baby (maternity/adoption grant / maternity allowance)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My partner has died (Survivor's allowance / pension)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you have a low income and have lived in Jersey for five years, Income Support is available to help meet your basic living costs. The amount of Income Support will depend on your income and the size of your family.

VIDEO 3

[See Video Index](#)

10. Income Support is not a contributory benefit. It helps you if you have a low income. Have you ever claimed Income Support?

Yes	No	Don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Now we are going to ask you some questions about contributory benefits for people who have a new child, or if their partner dies. We really want to hear your views.



Page 6: Parental Benefits

At the moment there are two contributory benefits that are only paid to new mums. These are:

- a one-off Maternity Grant of £628.53
- up to 18 weeks of Maternity Allowance, worth £209.51 a week while you're off work

The contributory benefit scheme also provides:

- an Adoption Grant if you adopt a child of £628.53
- contribution credits to protect your future pension if you stay at home while a child is young. (Home Responsibility Protection).

We are going to make some changes so that our contributory benefits are more in line with the needs of modern families.

In future, these contributory maternity benefits will become parental benefits. They'll be available to mums or dads including adoptive and surrogate parents.

Let's talk about these benefits.



Page 7: Parental Grant

The maternity or adoption grant is a one-off payment of £628.53.

Today, it is paid to new mums and adoptive parents to help with the initial costs of having a new child. Eligibility is based on the contribution record of either parent.

In future, if we keep the grant, **we will change the scheme** so that the grant will be paid to:

- Either parent
- Adoptive parents
- Parents who have a child through surrogacy

At the moment, if you have paid the right contributions, you can claim this grant whether you have a low or high income.

If you have a low income and are receiving Income Support, you will keep all of the grant, on top of your normal Income Support payments.

11. Do you think we should continue to pay a contributory parental grant?

- Yes
- No
- Don't know



Page 8: More about Parental Grants

12. Who should get a parental grant?

- It should only be available to people with a low income and limited savings
- It should be available to anyone if they have paid their contributions (as now)
- Don't know

13. How long do you think someone should pay contributions for before they can claim this grant?

- 6 months (as now)
- 2 years
- 5 years
- 10 years
- Don't know

14. Do you think we should pay the same one-off grant for every child in a household?

- Pay the same amount for each child (as now)
- One payment for the first child and a lower payment for subsequent children
- One payment for the first child only, and nothing for subsequent children
- Don't know



Page 9: Other options for the Parental Grant

15. In our consultation last year, some people gave us ideas about parental grants. How much do you agree or disagree with the following?

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The grant should be put into a savings account for the child's future instead of being given to the parents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The grant should stop and the funding should be used to promote better outcomes for all children	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The grant should stop and the funding should be used to extend parental allowance by three weeks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Page 10: Parental Allowance

What do you think about a weekly Parental Allowance?

Today, the Maternity Allowance helps a mum to take time off work when she has a new baby.

Depending on her contribution record, she can get up to £209.51 a week paid for up to 18 weeks. She can't work while claiming the allowance, however her employer can pay her at the same time. The value does not depend on her income.

In future, if we keep this allowance, **we will change the scheme** so that an allowance can be paid to either parent, including adoptive and surrogate parents.

VIDEO 4

[See Video Index](#)

At the moment, mothers who return to work after their first baby may not be eligible for a Maternity Allowance for their second child because of the timing of their contributions. We are going to change the rules so this does not happen.

Parents with a low income can get extra help through Income Support if the parental allowance does not meet all of their family's basic needs.

16. Do you think we should continue to pay a contributory weekly parental allowance?

- Yes
- No
- Don't know



Page 11: Parental Allowance

17. Who should get a parental allowance?

- It should only be available to people with a low income
- It should be available to anyone if they have paid their contributions (as now)
- Don't know

18. How long do you think someone should pay contributions before they can claim this allowance?

- 3 months (as now)
- 2 years
- 5 years
- 10 years
- Don't know

19. How long should we pay a weekly parental allowance for?

- Less than 18 weeks
- 18 weeks (as now)
- More than 18 weeks
- Don't know



Page 12. You have told us you would like the parental allowance to be paid for more than 18 weeks.

20. How do you think we should pay for this increase?

- I would be willing to pay more contributions
- I would be willing to accept reductions in other working age contributory benefits



Page 13: Bereavement Benefits

Contributory benefits include two survivor's benefits and a death grant.

VIDEO 5

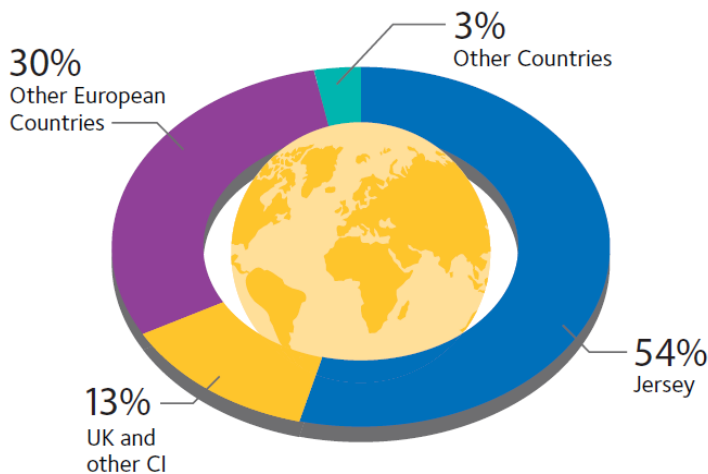
See Video Index

The two survivor's benefits are based on the contribution record of the person who has died. How much you get depends on how long your partner paid contributions for. It doesn't depend on your income or savings.

These benefits are only paid if the couple was married or in a civil partnership. Many couples are not married or in a civil partnership and so don't get this benefit. These benefits stop if you start living with a new partner.

Survivor's benefits can be paid anywhere in the world.

Survivor's benefits claimant numbers by location in payment as at 31 December 2016.



If you live in Jersey and have a low income you can get extra help through Income Support if the survivor's benefit does not meet all of your basic needs.

Survivor's Allowance

Today, if either partner was under 65 at the time of the bereavement, the survivor receives a survivor's allowance of up to £251.44 every week for the first year. This is 20% more than the standard rate of a contributory benefit.

Survivor's Pension

The Survivor's Pension is paid after the Survivor's Allowance has ended if the survivor is still bringing up a family. This includes any children up to school leaving age and older children up to the age of 25 while they're in full time education. The Survivor's Pension is a weekly payment of up to £209.51.



Page 14: Bereavement Benefits

21. Do you think we should continue to pay contributory survivor's benefits?

- Yes
- No
- Don't know



Page 15: Bereavement Benefits

22. Who should get a survivor's benefit?

- They should only be available to a survivor who has a low income
- They should be available to any survivor whose partner has paid contributions
- Don't know

23. How long do you think someone should pay contributions during their lifetime in order for their partner to claim these benefits?

- 6 months (as now)
- 2 years
- 5 years
- 10 years
- Don't know

24. Do you think we should continue to pay a higher rate immediately after the bereavement?

- Yes, 20% higher (as now)
- No, at the standard rate
- Don't know



Page 16: Bereavement Benefits

25. How long should this higher rate be paid for?

- Up to 3 months
- Up to 6 months
- Up to 1 year (as now)
- Don't know



Page 17: Bereavement Benefits

26. Who should receive survivor's benefits?

- Only a survivor with dependent children should get survivor's benefits
- Available to any survivor (as now)
- Don't know

27. How long do you think we should pay survivor's benefits for if you have dependent children?

- Paid until the youngest child starts primary school
- Paid until the youngest child starts secondary school
- Paid until the youngest child is 18
- Paid until the youngest child leaves full-time education or reaches 25 (as now)
- Don't know

28. How long do you think we should pay survivor's benefits for if you don't have dependent children?

- Only a survivor with dependent children should get survivor's benefits
- Up to 3 months
- Up to 6 months
- Up to 1 year (as now)
- Don't know

29. Where should we pay survivor's benefits to?

- Jersey only
- Jersey and the rest of the world (as now)
- Don't know



Page 18: Death Grant

A Death Grant is a single payment of £838.04 to help towards funeral expenses. It is paid if someone dies who has made contributions to the Social Security scheme. If a child dies, we can use the parent's record.

For low income families with very limited assets, the cost of a basic funeral can be met through Income Support.

30. Do you think we should continue to pay a contributory death grant?

- Yes
- No
- Don't know



Page 19: Death Grant

31. Who should receive a death grant?

- It should only be available to people with a low income and limited savings
- It should be available in respect of a deceased person who has paid their contributions (as now)
- Don't know

32. How long do you think someone should pay contributions during their lifetime in order for a death grant to be available?

- 1 year (as now)
- 2 years
- 5 years
- 10 years
- Don't know

33. Do you think the death grant should?

- Decrease in value
- Stay the same (£838.04)
- Increase in value
- Don't know



20. You have told us you would like to increase the value of the death grant.

34. How do you think we should pay for this increase?

- I would be willing to pay more contributions
- I would be willing to accept reductions in other working age contributory benefits



21. Tell us your views in person

Do you have any other comments about this consultation?

We will be holding a number of public meetings in November 2017 to discuss these ideas in more detail.

If you would like to attend a meeting or would like feedback on the outcome of this consultation, please provide your contact details.

Name

Email (preferred)

Phone number (if you don't have an email address)

If you wish to make a separate written submission, please send this to:

Policy Team

Philip Le Feuvre House | PO Box 55 | La Motte Street | St Helier | Jersey | JE4 8PE

Video Index:

Video 1. Why review the Social Security scheme?

The Jersey Social Security scheme is like an insurance policy
You make payments in through your contributions
And claim benefits when you need help and in old age
The scheme has worked well for many years
But Jersey is changing fast
Over the next 20 years, the number of pensioners will increase by 65%
So we'll need to pay out much more money in pensions
The scheme needs to change
In 2016, we asked you what how we should plan for old age (image of the review)
However, there are other things to consider
More women are working
Families and parents now come in all shapes and sizes
Since 2008 people with low income are protected by Income Support
We want to know how our contributory benefits should change to reflect the way we live now
Thanks for helping us plan all our futures

Video 2: What are Social Security contributions and who pays them?

During your working life, you pay CONTRIBUTIONS into the Social Security fund
All working age people in Jersey are liable to pay'
If you are employed, you pay 6% and your employer pays 6.5% of your wages
Everyone else pays 12.5%
Some employers who have high earners pay in a bit more
These contributions are used to pay contributory benefits
77p in every pound is used to pay for old age pensions
about 20p in every pound is used to pay for working age contributory benefits
the other 3p is used to run the scheme
If we make contributory benefits more generous we will need to raise more contributions to pay for them.
Other benefits like Income Support are paid for from our taxes and are not affected by contributions.

Video 3: Should working age contributory benefits be means-tested?

Contributory benefits pay out a maximum weekly benefit payment of just over £200 per week
You might get less than this depending on the benefit and your contributions
It doesn't matter how much money you earn or how wealthy you are.
We could reduce the cost of working age contributory benefits if we only paid them to people with low income
But this would mean many people who pay contributions would not be able to claim any benefit until they are old enough to get an old age pension.

Video 4: Maternity Allowance and Employment Law

Our survey is about workers paying contributions and claiming contributory benefits from the Social Security Fund.

Workers in Jersey also get protection through the employment law.

The mother can't work for the first two weeks after the baby is born

Employers must pay normal wages for these 2 weeks

Depending on how long they have been in their job, a mother can then have up to 16 weeks off work and come back to the same job

However, the employer doesn't have to pay them during this time

The Jersey Employment Forum is currently reviewing these rules and will publish their report at the end of the year

The right to keep your job open and the right to claim a contributory benefit are separate

Video 5: More about survivor's benefits

Last century we had widow's benefit in Jersey to help a widow after the death of her husband

It was assumed that the husband was more likely to be the breadwinner

And the wife stayed at home to look after the children

Families live and work very differently now

More families have two adults paying contributions

And household and childcare responsibilities are often shared

So, in 2001, we replaced widow's benefits with survivor's benefits

These are paid to a spouse or civil partner

Nowadays, if someone dies young, the other partner is likely to have a job and can continue to support their family

Families with a low income can apply for Income Support if they need help

Which wasn't available when these contributory benefits were designed

So we need to think carefully about the future of contributory survivor's benefits.