

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY BY
DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 21st OCTOBER 2008

Question

Will the Minister inform members what mechanisms, if any, he is pursuing to give better incentives to those taking up work and to protect pensioner savings under Income Support?

Answer

Proposition P.163, lodged today, sets out better incentives for taking up work and increased disregards for pensioner incomes.

The package of measures included in P.163 includes an increase in earned income disregards from 6% to 10%. It also includes an increase in the disregard made against pension income. The vast majority of pensioners do receive some pension income whereas only a relatively small minority have savings in excess of the current savings disregards. Increasing the disregard against pension income ensures that almost all pensioners will benefit from this measure.

The arrangements for pensioners' savings under income support are more generous than the previous parish welfare system. The value of capital that is fully disregarded was increased by 50% with the introduction of Income Support, and has been uprated since then. The mechanism for producing a deemed income is also more generous than the former parish system.

Single pensioners with savings of up to £11,866 and couples with savings of up to £19,669 receive their full entitlement to Income Support and also benefit from any income on their savings, which is disregarded from the calculation. Above these levels pensioners still qualify for income support but at a reducing level as their savings increase. These limits were uprated in October 2008 and will be kept under regular review.