

# STATES OF JERSEY

**r**

## **PUBLIC AND PRIVATE SECTOR HOUSING RENTAL SUBSIDY SCHEMES: INCOME DISREGARD – RESCINDMENT (P.5/2004) – COMMENTS**

---

**Presented to the States on 17th February 2004  
by the Employment and Social Security Committee**

---

**STATES GREFFE**

## COMMENTS

The Committee notes that Deputy Southern has correctly identified the policy intents behind the different benefits paid under the Social Security (Jersey) Law 1974. However, in simple terms, it should be noted that, provided the required Social Security contributions have been paid, people who are not able to work because of illness, injury, or disability, may be eligible for one of the following –

- **Incapacity Benefits**

Sickness Benefit is paid up to a year and, if the condition persists, it is then replaced by Invalidity Benefit. The standard rate of benefit is the same for both.

- **Accident Benefits**

Injury Benefit is paid up to a year after an accident then replaced by Disablement Benefit where there is a permanent loss of faculty.

Those without a relevant contribution record who do not qualify for Incapacity or Accident Benefits may claim a non-contributory one – a Child or Adult Disablement Allowance.

Whilst Deputy Southern has correctly differentiated the policy intents behind the different benefits paid under the Social Security (Jersey) Law 1974, some being a compensation for loss of earnings others for a loss of physical or mental faculty, nevertheless, they are all monetary compensations and so provide income support.

In undertaking research for a new Income Support Benefit, it was noted that different means tests existed for welfare grants, housing subsidy schemes and various non-contributory social security benefits. The research also showed that the different disregards applied across all means tests in Jersey not only gave rise to disincentives and potential “poverty traps” but there was evidence of inequity.

In particular, it was noted that the assessment for the Public and Private Sector Housing Rental Subsidy Schemes seemed inequitable, as both Sickness Benefit and Pensions were included as income whilst disregards were applied to Invalidity and Disablement Benefits.

A key feature of the new Income Support benefit proposals will be a common means test where it is proposed that **all** income from **whatever** source will be included.