

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

ANSWERS TO BE TABLED ON TUESDAY 14th FEBRUARY 2006

Questions

1. In answer to my question No. 2715 on 31st January 2006, the Assistant Minister stated that *'the increase in any one benefit is unlikely to be the prime (or sole) cause'* of loss of HIE and that he would welcome examples of difficulties caused by the loss of HIE through the differential rates by which benefits and thresholds were uprated. Would the Minister inform members whether the department has been made aware recently of at least one case where differential uprating is the sole cause of loss of HIE?
2. Would the Minister inform members whether any loss of HIE has occurred at a level of income of £9,000 per year being a figure below the relative low-income threshold revealed in the 2002 Income Distribution Survey?
3. Can the Minister confirm that, according to his own figures, the relative 'slippage' of rates over the past 5 years has been 5.5% (28% rise in benefits and 22.5% rise in HIE threshold) and indicate whether this has produced significant numbers of persons who have been placed over HIE limits without change in circumstances?
4. In the final paragraph of part (c) of his answer, the Assistant Minister stated that the RPI is the appropriate Index for uprating since HIE is part of the *'ultimate safety net'*; can the Minister confirm whether the differential figures above indicate that HIE should not be treated solely as income support and whether medical needs should be incorporated into any new system?
5. Would the Minister provide members with anonymised data relating to HIE/non-HIE attendances by GPs referred to in his previous answer?
6. Notwithstanding the broad outline given in the Income Support system and already agreed to by the States, would the Minister provide members with details of any 'tapers' or other mechanisms which will ameliorate the 'all or nothing' effect of current income ceilings and income bars and the income levels over which it is intended such tapers will operate?

Answer

1. The Department has been made aware of only one claim where increased social insurance benefit income has been a factor. The claimant also had income from another source which had risen slightly.
2. To clarify, there is no single low income threshold. The 2002 Income Distribution Survey (September 2003 report) actually quotes 60 possible relative low income thresholds for different household types. To answer the question in full would require a disproportionate amount of staff time to audit each claim manually as relevant computerised data is not stored, in particular income not included in the assessment (some of which is wholly disregarded). However, the Department is not aware of loss of HIE at income below £9,000 in recent months.
3. I would reiterate my answer to the last question that the uprating of a benefit designed to replace income, and income allowances in a means assessment, are not comparable and hence it is appropriate to use different indices. The whole point is to get people off means tested benefits and help them become self sufficient. It would require significant resource to audit and review all claim details to ascertain individual reasons for exceeding the Income Criteria. The weaknesses of the HIE system have been identified and the focus of the Department at this time is on developing and implementing the Income Support system that will supersede the HIE and other means tested schemes.

4. I would refer the Deputy to P.86/2005 as approved by the States. Income Support will include four levels of a “disability” component. People with illness or disability may have increased expenditure for a number of reasons, including additional medical care. People who have an identified need for additional medical care (whether through illness or disability) will be able to make a claim for a disability component. In addition, the aim is to modify the Health Insurance scheme over time to give further help to people with chronic illnesses (irrespective of income) who require increased levels of medical care.
5. In 2005 a total of 43,623 doctors visits were recorded by HIE recipients and 306,029 by the remainder of the population.
6. The very nature of the system outlined and agreed by the States removes the all or nothing situation of income bars as subsidy is gradually withdrawn as income rises. The Marginal Deduction Rate gives incentive to increase income as a percentage and will be retained. P.86/2005 gave an example using a marginal deduction rate of 90% and detailed calculations later this year will start from this basis. As the Deputy is aware, from his recent discussions with the Department, we are awaiting the outcome of the Household Expenditure Survey so that the most up-to-date information is used. The income level will be calculated according to composition of the household and combination of the components applicable. Component rates will be set towards the end of 2006 and will of course be subject to States approval.