

4.7 Deputy G.P. Southern of the Minister for Social Security regarding the protection of vulnerable employees who failed to qualify for sickness benefit: [1(550)]

I thank the Minister for her detailed answer in the written question which is attached to this one. Given that workers on zero-hour contracts and low monthly earnings may fail to qualify for sickness benefit due to the contribution criteria which apply, what action, if any, will the Minister take to protect these vulnerable employees?

Deputy S.J. Pinel (The Minister for Social Security):

I thank the Deputy for his thanks. Vulnerable employees are protected through the income support system. Income support protects low-income households, both in work and out of work and during periods of sickness. This is available to any low-income household that satisfies a 5-year residency test. The contributory Social Security scheme is based on workers making contributions and receiving benefits in specific situations. The contributory scheme is not designed to support all low-income families and its benefits do not cover all living expenses. Benefits are paid at a standard maximum rate. In September this was £204 per week. If you had paid contributions on earnings that are at least this amount, £204 per week, then you may be eligible to claim a benefit to cover absence from work due to illness. There are situations in which a person may only be working part-time and so have earnings that are less than this lower limit. There are also some married women who work full-time but have chosen to opt-out of paying contributions. For anyone in this situation who has lived in Jersey for at least 5 years, the income support system is available to provide a basic household income over a period of illness. Thank you.

4.7.1 Deputy G.P. Southern:

If I may take the Minister through some numbers. Is it not the case that a worker on a zero-hour contract on low earnings could have a quarterly total of contributions of £2,500 and qualify for some sickness benefit but a worker in different circumstances could be paying in contributions of £2,550, i.e. more, and not qualify? Will she commit to re-examining her mechanism in order to make it fairer in terms of the earnings of workers to qualify for sickness benefit?

Deputy S.J. Pinel:

It is very confusing inasmuch as a lot of the sums that we provide are weekly payments and the Deputy has referred to monthly payments. In some cases, as with pensions, as we have discussed before, then if there are 4 Fridays in a month, the monthly payment will be different from if there are 5 Fridays in a month. But a person on a minimum wage of 35 hours per week at the current rate of £17.18 will earn £251.65 a week which is above the contribution rate of £204, so will be entitled to the benefit.

4.7.2 Deputy G.P. Southern:

Nonetheless, the principle that applies if you make contributions for one month out of 3, you are eligible to receive a third of the total sickness benefits. If you fail to meet all months but you could earn more, then you do not qualify, so the safety net does not work well for these types of workers. Does she not accept that something should be done about that, especially in the light of the still-increasing numbers of zero-hour contracts poor-quality jobs that exist in our community?

Deputy S.J. Pinel:

Yes, I totally accept what the Deputy is asking which is why we are doing the current review which has just been launched into contributory benefits. So we are doing something about it,

we recognise that there are many different aspects of this, many different levers, and that is the review that is undergoing at the moment with the consultation paper online. Thank you.

Deputy G.P. Southern:

Could I ask for clarification? Is it not the case, the Minister has just said we are doing some work on this, that sickness benefit waits for the next stage; is not involved for the moment?

The Deputy Bailiff:

I will allow that.

Deputy S.J. Pinel:

Contributory benefits are what is being examined at the moment across the board and then incapacity will be done in the next part of the review.