

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY R.S. KOVACS OF ST. SAVIOUR
QUESTION SUBMITTED ON MONDAY 16th JANUARY 2023
ANSWER TO BE TABLED ON MONDAY 23rd JANUARY 2023**

Question

Further to the decision to stop the States grant from the Consolidated Fund to the Social Security Fund for the last few years, can the Minister advise the following –

- (a) the amount unpaid to the Social Security Fund in each year; and
- (b) whether a payment of these funds will be considered before any proposed increase in employee/employer contributions?

Answer

The Social Security Fund supports the wellbeing of Islanders by providing Social Security pensions and a range of working age benefits. The Social Security Fund receives Social Security contributions from employers and working-age adults and until 2020 received an annual States Grant from the Consolidated Fund.

The previous States Assembly agreed that no grant would be paid into the Social Security Fund for 2020 to 2023 to help with the impact of Covid-19 on the public finances.

(a)

The States Grant amounts that were not paid into the Social Security Fund were:

	2020	2021	2022	2023	Total
	£m	£m	£m	£m	£m
States Grant retained in the Consolidated Fund	65.3	65.3	72.1	71.2	273.9

The amounts for 2020 and 2021 are based on the Government Plan 2020-23 which was agreed by States Members in December 2019, before Covid. The amounts for 2022 and 2023 are based on the calculation for the States Grant set out in Article 9A of the Social Security Law.

(b)

The previous States Assembly agreed that the £274 million of funding provided through stopping the States Grant from 2020 to 2023 was necessary to deal with Covid, support households and businesses, and help with the economic recovery. Providing this support did not put the Social Security Fund on an unsustainable footing because it has significant reserves of £2.1 billion.

Payment of the States Grant into the Social Security Fund will recommence in 2024 and thereafter, so there are no plans to increase Social Security contributions to recompense for the Grant not having been paid.

The UK Government Actuary's Department is currently undertaking an actuarial review of the Social Security Funds. They will provide long-term financial projections for a range of population and investment return scenarios, and these will show whether any policy changes may be necessary to ensure

the long-term sustainability of the Fund. The actuarial review will be finalised and completed in April, with their published report and presentation to States members following this.