

# **STATES OF JERSEY**



## **DRAFT FAMILY ALLOWANCES (JERSEY) REGULATIONS 200-**

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**Lodged au Greffe on 25th November 2003  
by the Employment and Social Security Committee**

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**STATES GREFFE**





Jersey

## DRAFT FAMILY ALLOWANCES (JERSEY) REGULATIONS 200-

### REPORT

The Employment and Social Security Committee believes that Family Allowance is an extremely important benefit, being the allowance specifically targeted to low-income families as a contribution to the general cost of bringing up dependent children. It is aimed at those families below the tax threshold and is assessed on the returns made to the Income Tax Department. The benefit is not, therefore, designed or structured to meet immediate need as it is based on this “historic” income. However, Family Allowance is a vital component in a series of means-tested benefits available to low-income families in Jersey, and as such it continues to feature in the Committee’s research into income support in Jersey. The Committee is formulating proposals for a new general income support benefit which ultimately will subsume Family Allowance.

In the meantime, the Committee needs to maintain the existing Family Allowance Scheme, and under Article 12 of the Family Allowance (Jersey) Law 1972, the rates of the allowance are required to be reviewed in relation to the cost of living and general standard of living of the community. The Committee is proposing an increase of 4.2% on average, on existing maximum rates, which is also in line with recent increases in the Parish Welfare Rates.

The table below gives examples of current weekly rates and proposed weekly rates for a 2-child family –

<b>Annual Income</b>	<b>Current Rate</b>	<b>Proposed Rates</b>
6,600	99.79	103.96
8,600	82.27	85.71
10,600	61.04	63.59
12,600	39.01	41.47
14,600	18.58	19.35

The Committee estimates that the cost of the Family Allowance System, including these proposals, will be within the cash limit set for the year 2004.

Note: The Finance and Economics Committee’s comments are to follow.

## Explanatory Note

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These Regulations specify the rates of family allowance payable for the family allowance year beginning 6th January 2004.

The maximum annual rate specified for each child of the family is increased by 4.2% (*Regulation 1(a)-(c)*).

The following amounts are not increased –

- (a) the amount which the income of a family may reach without causing a reduction in the rate of allowance payable (*Regulation 1(d)*);
- (b) the amount which the income of a family may reach without disqualifying that family for payment of any allowance (*Regulation 1(3)(e)*);
- (c) the minimum annual rate, below which no allowance is payable (*Regulation 1(f)*).





Jersey

## **DRAFT FAMILY ALLOWANCES (JERSEY) REGULATIONS 200-**

*Made*

*[date to be inserted]*

*Coming into force*

*6th January 2004*

**THE STATES**, in pursuance of Article 7 of the Family Allowances (Jersey) Law 1972<sup>[1]</sup> have made the following Regulations –

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### **1 Amount of allowances and rates**

For the purposes of Article 7(1) of the Family Allowances (Jersey) Law 1972<sup>[2]</sup> the following amounts are specified in respect of the family allowance year beginning on 6th January 2004–

- (a) £2,916 shall be the maximum annual rate of the allowance in respect of the first child of a family;
- (b) £2,490 shall be the maximum annual rate of the allowance in respect of the second child of a family;
- (c) £2,355 shall be the maximum annual rate of the allowance in respect of each of the children of a family born after the first two children;
- (d) £6,950 shall be the decline point;
- (e) the amount found by adding to £11,950 the sum of £2,200 in respect of each child of the family shall be the maximum level of family income; and
- (f) £52 shall be the minimum annual rate of the allowance in respect of any number of the children of a family.

### **2 Repeal**

The Family Allowances (Jersey) Regulations 2002<sup>[3]</sup> shall be repealed.

### **3 Citation**

These Regulations may be cited as the Family Allowances (Jersey) Regulations 2004 and shall come into force on 6th January 2004.

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[1] *Recueil des Lois, Volume 1970-1972, page 417, Volume 1984-1985, page 81 and Nos. 8132 and 8455.*

[2] *Recueil des Lois, Volume 1970-1972, page 417 and Volume 1984-1985, page 81.*

[3] *No. 167/2002.*