

# STATES OF JERSEY



## FAMILY FRIENDLY POLICY: IMPLEMENTATION (P.129/2017) – AMENDMENT

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Lodged au Greffe on 13th February 2018  
by the Minister for Social Security

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STATES GREFFE

FAMILY FRIENDLY POLICY: IMPLEMENTATION (P.129/2017) –  
AMENDMENT

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**1 PAGE 2, PARAGRAPH (b) –**

Before the words “to bring forward proposals to the States” insert the words “to review the results of the public consultation “Living today: Thinking ahead” undertaken in 2017 and, if appropriate,” and delete the words “, with effect from September 2018”.

**2 PAGE 2, PARAGRAPH (c) –**

For paragraph (c), substitute the following paragraph –

- “(c) to review the level of disregard provided for income from Maternity Allowance for mothers in receipt of an Income Support award and, if appropriate, to amend the Income Support (General Provisions) (Jersey) Order 2008 accordingly.”.

**MINISTER FOR SOCIAL SECURITY**

**Note:** After this amendment, the proposition would read as follows –

to request the Minister for Social Security –

- (a) to bring forward proposals to the States to implement the recommendations made by the Employment Forum in its report issued on 15th December 2017, ‘Review of Family Friendly Employment Rights’, in accordance with the timetable set out in Section 3, page 6, of that report;
- (b) to review the results of the public consultation “Living today: Thinking ahead” undertaken in 2017 and, if appropriate, to bring forward proposals to the States to extend the period covered by Maternity Allowance under the Social Security (Jersey) Law 1974 from 18 to 26 weeks; and
- (c) to review the level of disregard provided for income from Maternity Allowance for mothers in receipt of an Income Support award and, if appropriate, to amend the Income Support (General Provisions) (Jersey) Order 2008 accordingly.

## REPORT

### Summary

It is important for government to provide the right level of support to working parents to protect both parents and children.

The Minister for Social Security has taken significant actions in this area. Part (a) of Deputy G.P. Southern of St. Helier's proposition calls for the full implementation of the family friendly changes to Employment Law as recommended by the Employment Forum. The Minister has already confirmed that all these changes will be in place by September 2019, subject to the States' approval.

As part of the major review of the Social Security scheme, a public consultation on the future of parental benefits has just finished. When the results are published, they will provide Members with valuable information as to the views and aspirations of working parents and how we could amend our benefit systems to reflect modern life.

The intention of these amendments is to allow States Members to express their views on the benefit proposals put forward by the Deputy, while at the same time acknowledging that the Minister for Social Security is currently undertaking this major review of the benefit scheme.

If the amendments are accepted, the Minister will take full account of the outcome of this proposition and the individual views expressed during the debate, in the consideration of changes to the benefits available to mothers and parents in general.

### Part (b) of the proposition – Parental Allowances

The Department undertook a major consultation on parental benefits as part of the "Living today: Thinking ahead" review in 2017. 2,600 responses have been received. An independent report on the results of the consultation is due to be published in March 2018. It would be premature for States Members to make a decision in respect of a possible change to Maternity Allowance before the views of the Public on this subject have been published and discussed. Changes to Maternity Allowance could include a longer claim period as proposed in the Deputy's proposition, but could also include a wider eligibility for a parental allowance available to a parent of either sex, including adoptive parents and intended parents (surrogacy). The consultation examined the eligibility for parental allowance and how long a parent should contribute to the scheme before being eligible to claim a benefit. The full set of questions included in the online survey is provided in the **Appendix**.

Increasing the duration and/or scope of parental allowances will require additional funding from employers and/or employees making contributions into the Social Security Fund. Any additional funding in this area will need to be considered alongside the significant increase in old age pension costs that the Fund will need to meet in coming years.

### Part (c) of the proposition – Income Support

There is a mismatch between the wording of the proposition which refers specifically to a 100% disregard being established and the report, which notes –

*‘With only one example of a low paid family on which to assess the impact of the interaction between income support and maternity allowance, it is not possible to analyse what level of disregard would be most effective. Acceptance of the principle of a disregard would require the Social Security Department to establish the appropriate level to best deliver improved results for maternity leave rates for low-income households.’*

(emphasis added)

The amendment seeks to reflect the wording of the report so that the Department can investigate this matter in more detail before any decisions are taken.

It should also be noted that any calculations completed now would be subject to change when decisions are made as to the possible expansion of maternity allowance. As in (b), possible changes to maternity allowance include a longer period of allowance and the ability for any parent (not just the birth mother) to make a claim. The extent of these changes to the contributory benefit system will determine the level of change within the Income Support system, the number of claims that are likely to be affected, and the associated additional cost to the taxpayer.

The existing benefit system provides almost all parents with a maternity (or adoption) lump sum grant of £628.53 per child, and parents receiving Income Support receive an additional child component of £65.87 per week, equivalent to £3,425 a year.

### **Collective responsibility under Standing Order 21(3A)**

The Council of Ministers has a single policy position on this proposition, and as such, all Ministers, and the Assistant Minister for Social Security, are bound by the principle of collective responsibility to support the proposition, as outlined in the Code of Conduct and Practice for Ministers and Assistant Ministers ([R.11/2015](#) refers).

### **Financial and manpower implications**

The Department will undertake the work set out in amended (b) and (c) using existing resources.

The ongoing cost of extending contributory parental benefits will depend on the duration and scope of any revised benefit. This cost will need to be met from employers and/or employees paying into the Social Security Fund.

The ongoing cost of increasing the generosity of the disregard available to a parent claiming a parental contributory benefit and Income Support at the same time will depend on the duration and scope of any revised contributory parental benefit and the level at which the Income Support disregard is set. These are additional costs that would require a growth bid to provide funding.

**Wording from online survey regarding parental benefits**

**“Parental Benefits**

At the moment there are two contributory benefits that are only paid to new mums. These are:

- a one-off Maternity Grant of £628.53
- up to 18 weeks of Maternity Allowance, worth £209.51 a week while you’re off work.

The contributory benefit scheme also provides:

- an Adoption Grant if you adopt a child of £628.53
- contribution credits to protect your future pension if you stay at home while a child is young. (Home Responsibility Protection).

We are going to make some changes so that our contributory benefits are more in line with the needs of modern families.

In future, these contributory maternity benefits will become parental benefits. They’ll be available to mums or dads including adoptive and surrogate parents.

Let’s talk about these benefits.

**Parental Grant**

The maternity or adoption grant is a one-off payment of £628.53.

Today, it is paid to new mums and adoptive parents to help with the initial costs of having a new child. Eligibility is based on the contribution record of either parent.

In future, if we keep the grant, we will change the scheme so that the grant will be paid to:

- Either parent
- Adoptive parents
- Parents who have a child through surrogacy.

At the moment, if you have paid the right contributions, you can claim this grant whether you have a low or high income.

If you have a low income and are receiving Income Support, you will keep all of the grant, on top of your normal Income Support payments.

11. Do you think we should continue to pay a contributory parental grant?

- Yes
- No
- Don't know

12. Who should get a parental grant?

- It should only be available to people with a low income and limited savings
- It should be available to anyone if they have paid their contributions (as now)
- Don't know

13. How long do you think someone should pay contributions for before they can claim this grant?

- 6 months (as now)
- 2 years
- 5 years
- 10 years
- Don't know

14. Do you think we should pay the same one-off grant for every child in a household?

- Pay the same amount for each child (as now)
- One payment for the first child and a lower payment for subsequent children
- One payment for the first child only, and nothing for subsequent children
- Don't know

#### **Other options for the Parental Grant**

15. In our consultation last year, some people gave us ideas about parental grants. How much do you agree or disagree with the following?

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The grant should be put into a savings account for the child's future instead of being given to the parents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The grant should stop and the funding should be used to promote better outcomes for all children	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The grant should stop and the funding should be used to extend parental allowance by three weeks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Parental Allowance

What do you think about a weekly Parental Allowance?

Today, the Maternity Allowance helps a mum to take time off work when she has a new baby.

Depending on her contribution record, she can get up to £209.51 a week paid for up to 18 weeks. She can't work while claiming the allowance, however her employer can pay her at the same time. The value does not depend on her income.

In future, if we keep this allowance, we will change the scheme so that an allowance can be paid to either parent, including adoptive and surrogate parents.

At the moment, mothers who return to work after their first baby may not be eligible for a Maternity Allowance for their second child because of the timing of their contributions. We are going to change the rules so this does not happen.

Parents with a low income can get extra help through Income Support if the parental allowance does not meet all of their family's basic needs.

16. Do you think we should continue to pay a contributory weekly parental allowance?

- Yes
- No
- Don't know

17. Who should get a parental allowance?

- It should only be available to people with a low income
- It should be available to anyone if they have paid their contributions (as now)
- Don't know

18. How long do you think someone should pay contributions before they can claim this allowance?

15 months (as now)

2 years

5 years

10 years

Don't know

19. How long should we pay a weekly parental allowance for?

Less than 18 weeks

18 weeks (as now)

More than 18 weeks

Don't know

20. How do you think we should pay for this increase? (Only asked if answer to (19) is 'more than 18 weeks')

I would be willing to pay more contributions

I would be willing to accept reductions in other working age contributory benefits"