

From: Member of the public

I hope this finds you well.

As discussed please find my thoughts below on the States proposal to move Jersey tax payers from PYB to a current year basis.

We are aware of the “bump” in liability that is generated by one’s last year of working, whilst in one’s first year of retirement. Personally, we are preparing to save a little in our last 20 years of working to flatten this “bump” out. I was shocked, however, to hear of the States proposal to bring 2/3 of the island’s tax payers in to CYB, by demanding, from hard working Islanders, to pay their previous year liability. It also aggrieved me to note how seemingly nonchalant the terms of the proposal were addressed.

We are currently in the middle of the most expensive times of our lives, with a mortgage and young family, living in one of the most expensive places in the UK and Europe. There is no need to remind any States member of the high cost of living and the inflated price of accommodation in Jersey; tax allowances have been steadily reduced, resulting in tax liability going up year in year out, without increases in pay. Yet the proposal doesn’t seem to take any of this into account. Indeed the suggestion within the proposal, that one can pay off the PY liability ‘all upfront’ or just simply add 20% to your tax bill for the next 5 years, seems painfully removed from the capabilities of the middle earners.

The proposal is marketed as a solution to those who have lost earnings this year due to COVID. I believe it is absolutely correct that the tax department and government support those who will suffer a shortfall in paying off last year’s liability at the end of this year. Real and direct help, however, would come in the form of freezing COVID shortfalls for those individuals and arrange future payment plans. Better still, write off shortfalls in liability, if possible, for those individuals who have lost wages due to COVID.

The whole Island has noted that Guernsey scrapped previous year liability when switching to ITIS/PAYE. Jersey did not! Now, Jersey, suggests it would be far easier for the department to bring everyone into CYB. The proposal sites that it would “not be fair” to write off the liability of those who remain on PYB. This is a **States caused issue** and very significantly, it would “not be fair” to now demand, from 2/3 of the islanders, the PY liability to help organise the tax department. Leave the system be and it will all wash through, as new generations start working for the first time on CYB. Meanwhile, my generation remaining on PYB, will address this over the longer period and into retirement if required.

Any Minister that supports this proposal must be so far removed from the middle earners of this island; they do not warrant a further term.

Kind Regards