

STATES OF JERSEY



DISCRIMINATION LAW AND DELAY ON PENSION REFORM (P.118/2011): COMMENTS

**Presented to the States on 18th July 2011
by the Minister for Social Security**

STATES GREFFE

COMMENTS

The Minister for Social Security supports the amendments lodged by the Council of Ministers in respect of paragraphs (a) and (b) of the proposition.

The Minister notes that the Minister for Treasury and Resources has agreed that funding for strategic development and law drafting can be accommodated from within existing resources in 2012. It is essential that such funding is made available and that it is provided in addition to the proposed cash limit for the Department.

The Minister for Social Security strongly rejects paragraph (c) of the proposition.

The recent debate on pension age proposals received substantial support from the States Assembly. It was agreed that the first change to pension age will not occur until 2020. The commitment given by the States to increase pension age has sent a clear message that other changes must be made before 2020.

Deputy G.P. Southern of St. Helier acknowledges the positive impact of the participation of older workers in the workforce in his report. It is important that, as he notes, Jersey should keep up with the UK, who are “maximising the benefit to be obtained from this potential pool of experienced employees”.

This commitment to increase pension age acts as a positive driver to implement the other measures set out in the pension age proposals. Introducing uncertainty into this timetable by creating doubt around the implementation of pension age legislation seriously weakens this commitment and will raise doubts that the States intends to make these changes.

A realistic timetable in respect of the introduction of discrimination legislation suggests that Regulations may be in place before the end of 2013, leaving just over 6 years until the proposed pension age change from the beginning of 2020.

As set out in the report accompanying P.118/2011, 7 separate areas have been identified which need development in advance of 2020. Policies and proposals in these 7 separate areas will need to be considered and implemented progressively.

From the point of view of the individual worker, the government bears a responsibility to ensure that workers have a clear understanding of the age at which they will be able to receive their State pension. If they receive the message that these changes are now “on hold”, then they may fail to make appropriate financial decisions over the next few years.

The changes in pension age legislation will create a fixed timetable within which other changes must be finalised. Creating uncertainty around this fixed point introduces the possibility of further delays which is counter-productive.

Members are urged to reject paragraph (c).

Statement under Standing Order 37A [Presentation of comment relating to a proposition]

The Council of Ministers discussed this proposition at its meeting held on Thursday 14th July and decided to lodge an amendment to the proposition. This comment refers to both the amendment and the original proposition and it could not be finalised until the outcome of the Council of Ministers meeting was known. Due to the next States Sitting commencing on Monday 18th July, it was not possible to submit this comment by noon on Thursday.