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Deputy Lyndsay Feltham
Minister for Social Security

BY E-MAIL

10th November 2025

Dear Minister,

Health and Social Security Scrutiny Panel

Overpayment of Social Security Contributions/Proposed Budget 2026 - 2029

Thank you for your letter dated 20th October 2025 in response to our letter regarding overpayment of social security contributions.

We note from your letter that earlier this year, the situation where people reach a full contribution record before they reach their pension age had been reviewed and approximately 50 people per year who are in their early 60s have a full contribution record and continue to pay contributions up to pension age. Whilst the contributions they pay ensure they remain eligible for Short-Term Incapacity Allowance should they need it; they do not continue to build entitlement to a larger Social Security pension.

We also note that you have stated that given the relatively small numbers of people affected, the potential cost to the Fund, and the fact that they are getting some benefit from their contributions, you decided to prioritise addressing other issues first.

We are currently at the evidence gathering stage of our review of the Proposed Budget 2026 – 2029 and at our recent public hearing with you, you confirmed that the information received from the actuaries gave confidence that the Social Security Fund could cope with a reduction in the States grant. You also mentioned that the Social Security Fund had outperformed and that investment had been stronger than had been in the past. With this in mind, the Panel would like to ask if the Social Security Fund is able to cope with this reduction and is performing well, would it not be in the public interest to prioritise agreeing a fair deal for those who would otherwise be overpaying? In addition, could you provide the cost of allowing these 50 people to stop paying these contributions once they have achieved a full contribution record? Could you also confirm what other options for changes were considered (as stated in your letter) and if there are any additional cost analysis, could these be provided to the Panel.

We would appreciate if you could provide a response to this request by Friday 14th November to enable us to use any information provided as part of our evidence for our review into the Proposed Budget 2026 – 2029.

Yours sincerely



Deputy Louise Doublet
Chair
Health and Social Security Scrutiny Panel