

STATES OF JERSEY



MINI-BUDGET 2022 (P.80/2022): FIFTH AMENDMENT (P.80/2022 AMD.(5))- COMMENTS

**Presented to the States on 13th September 2022
by the Council of Ministers**

STATES GREFFE

COMMENTS

The Council of Ministers does not support this amendment and asks that States members reject it.

The Council of Ministers included the 2% reduction in Social Security contributions from October to December 2022 to provide immediate support to workers until the income tax and income support measures come into effect in January 2023.

The mini-budget package also includes encouraging the uptake of the Community Cost Bonus. This is a better targeted form of support to lower income families and at the increased value of £516 provides more financial assistance compared to 3 months of Social Security contribution reductions.

Extending the 2% reduction in Social Security contributions for a further 3 months will lead to a further drop in income to the Social Security Fund of £9m in 2023. While this will only have a small negative impact on the long-term sustainability of the Social Security Funds, this further reduction in income follows a period of significant financial support from the Funds to support government services during Covid.

In addition, in March 2023, Revenue Jersey will be in the final stage of integrating Social Security contributions into their revenue management computer system for the start of April, which supports improvements in customer service and efficiency. If the temporary reduction in contributions is extended to March 2023, it will increase the demands on their staff delivering the change and increase the risk that the integration of contributions is delayed.