

3.2 Deputy G.P. Southern of the Minister for Social Security regarding occupational pensions:

How many people aged over 65 depend on a partial or full States pension combined with income support for their total income, how many such people in receipt of a partial or full States pension combined with income support also have a private or occupational pension, and what measures, if any, is the department considering in conjunction with the Treasury and Resources Department to increase the availability of occupational pensions?

Deputy S.J. Pinel of St. Clement (The Minister for Social Security):

The Social Security Department publishes information on the number of pensioners receiving income support each year. Our annual report is due to be published next week and this will show that 99 per cent of low income pensioner households have a pension. This amounts to 1,759 households at the end of 2015 out of a total of 1,776 income support households in this category. Members will be aware that a commitment was given in the Medium Term Financial Plan approved last year that Social Security and Treasury and Resources would work together to promote financial independence in old age. In October I will be issuing a consultation paper which considers how we provide for ourselves in retirement and how the Social Security Fund should adapt to an ageing population. One topic which will be discussed within this consultation is the availability of occupational pensions. This is the start of a major review of the social security scheme and I hope that Members will take the opportunity to participate in the consultation and engage in a broad discussion to identify the best options for Jersey.

3.2.1 Deputy G.P. Southern:

The review of the contributory benefit scheme is due to take place over a number of years, I believe. Is it or is it not the case that the introduction of occupational pensions is a priority of this review and will be done in the early stages or not?

Deputy S.J. Pinel:

It is due to start next week inasmuch as the Guernsey Government have already agreed to introduce an occupational pension, not in force yet but is agreed, and we have a meeting with Guernsey next week when we will discuss the possibilities.

The Deputy Bailiff:

A further supplementary, Deputy? This is the final supplementary I should note as no one else has asked a question.

3.2.2 Deputy G.P. Southern:

I accept that, Sir, I was not even arguing this time. Can the Minister outline for Members why she reduced the disregard on those without an occupation pension, those on the lowest pensions and thus making them £9 a week worse off in the short term in her Medium Term Financial Plan?

Deputy S.J. Pinel:

The Deputy alludes to the 23 per cent disregard that was introduced in the M.T.F.P. (Medium Term Financial Plan) agreed by the States last October. It was a change from previous pension disregards inasmuch as it was a fixed sum of £55 and those pensioners already receiving that £55 then have an option to change to 23 per cent of their income or the £55 disregard of their income. This is a way to encourage people to save for their own retirement because in a lot of cases 23 per cent of their income is considerably higher than the fixed sum of £55, and any

pensioner now entering the scheme will have to have the 23 per cent, the £55 is not an option any longer, apart from those who have a pension already.