

23.05.23

13 Deputy M.B. Andrews of the Minister for Treasury and Resources regarding the introduction of profit-sharing legislation. (OQ.91/2023)

Will the Minister advise what consideration, if any, has either been given or it is intended to give to the introduction of profit-sharing legislation?

Deputy I.J. Gorst (The Minister for Treasury and Resources):

The Government is of course aware of a wide range of approaches adopted by differing businesses operating in Jersey to providing their employees with opportunities to share in any profits of the business. These range from simple performance bonuses to grants of shares, share options and complex long-term incentive plans, including putting assets into trust for employees. The Government has not been made aware of any issues of Jersey law which limit businesses' ability to offer these types of incentives in Jersey, that current approach for the purposes of income tax and social security is based on longstanding principles of law, commonly accepted by most jurisdictions. This is seen to be the most effective approach, as the majority of businesses offering these plans are based in and across multiple other jurisdictions. Any bespoke Jersey legislation could, therefore, increase administrative burden and even frustrate the intentions of employer and employee without bringing any identifiable benefits.

3.13.1 Deputy M.B. Andrews:

Profit-sharing in a form of, say, cash distributions, this is something that, potentially, could reduce income inequality. Would the Minister, potentially, support a proposal that I would maybe bring before the Assembly or would it be outright denied?

Deputy I.J. Gorst:

It is difficult to ascertain what exactly the Deputy was seeking information on in the question. I am more than happy to sit down with him with my officials and consider any proposal in a constructive a way as possible.