

**DRAFT FAMILY ALLOWANCES (JERSEY) REGULATIONS 200-**

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**Lodged au Greffe on 28th November 2000  
by the Employment and Social Security Committee**

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**STATES OF JERSEY**

**STATES GREFFE**

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## Report

The Employment and Social Security Committee believes that Family Allowance is an extremely important benefit, being the allowance specifically targeted to low income families as a contribution to the general cost of bringing up dependant children. It is aimed at those families below the tax threshold and is assessed on the returns made to the Income Tax Department. The benefit is not, therefore, designed or structured to meet immediate need, as it is based on this historic income. However, Family Allowance is a vital component in a series of means-tested benefits available to low income families in Jersey, and as such it continues to feature in the Committee's research into low income support in Jersey. The Committee are formulating proposals for a general income support benefit which ultimately would subsume Family Allowance.

In the meantime, the Committee needs to maintain the existing Family Allowance Scheme and under Article 12 of the Family Allowance (Jersey) Law 1972, the rates of the allowance are required to be reviewed in relation to the cost of living and general standard of living of the community. The Committee are proposing an increase of 4.4 per cent on existing maximum rates, which is also in line with recent increases in the Parish Welfare Rates, and an increase in the income parameters of 5.5 per cent in line with average earnings increases.

The table below gives examples of current weekly rates and proposed weekly rates for a two-child family and the rates assuming an average increase in earnings:-

<b>Annual income</b>	<b>Current rate</b>	<b>Proposed rates</b>	<b>Rates with 5.5% earnings increase</b>
6,600	88.29	92.17	92.17
8,500	69.90	76.97	72.39
10,500	50.53	57.36	51.70
12,500	31.17	37.75	31.01
14,500	11.81	18.14	10.32

The Committee estimates that the cost of the Family Allowance System, including these proposals, will be within the cost limit set for the year 2001.

### **Explanatory Note**

These Regulations specify the rates and amounts for the purposes of calculating the annual rate of family allowance during the family allowance year beginning on Tuesday, 2nd January 2001.

**Family Allowances (Jersey) Law 1972**

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FAMILY ALLOWANCES (JERSEY) REGULATIONS 200-

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*(Promulgated on the            day of            200-)*

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**STATES OF JERSEY**

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The            day of            200-

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**THE STATES**, in pursuance of Article 7 of the Family Allowances (Jersey) Law 1972,<sup>[1]</sup> as amended,<sup>[2]</sup> have made the following Regulations -

**1.** For the purposes of Article 7(1) of the Family Allowances (Jersey) Law 1972, as amended, the following amounts are specified in respect of the family allowance year beginning on Tuesday, the second day of January 2001 -

- (a) £2,585 shall be the maximum annual rate of the allowance in respect of the first child of a family;
- (b) £2,208 shall be the maximum annual rate of the allowance in respect of the second child of a family;
- (c) £2,088 shall be the maximum annual rate of the allowance in respect of each of the children of a family born after the first two children;
- (d) £6,950 shall be the decline point;
- (e) the amount found by adding to £11,950 the sum of £2,200 in respect of each child of the family shall be the maximum level of family income; and
- (f) £52 shall be the minimum annual rate of the allowance in respect of any number of the children of a family.

**2.** The Family Allowances (Jersey) Regulations 1999<sup>[3]</sup> shall be repealed.

**3.** These Regulations may be cited as the Family Allowances (Jersey) Regulations 200- and shall come into force on the second day of January 2001.

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<sup>[1]</sup> Recueil des Lois, Volume 1970-1972, page 417.

<sup>[2]</sup> Recueil des Lois, Volume 1984-1985, page 81 and Nos. 8132 and 8455.

<sup>[3]</sup> No. 9486.