

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY M.B. ANDREWS OF ST HELIER NORTH
QUESTION SUBMITTED ON MONDAY 20th JANUARY 2025
ANSWER TO BE TABLED ON MONDAY 27th JANUARY 2025**

Question

“Will the Minister provide a comparison between annual increases to the States old age pension and those in the Average Earnings Index and Retail Prices Index over the last 10 years; and will she state whether she has considered raising the States old age pension rate to match the minimum wage rate and, if so, how much such an increase would cost?”

Answer

Table comparing annual % increases in the Social Security pension, retail prices index and average earnings index over the last 10 years

Year	Social Security pension	RPI (Pensioner)	Average earnings
2015	1.3%	0.4%	1.8%
2016	2.1%	1.1%	2.1%
2017	2.8%	2.8%	2.6%
2018	4.3%	4.3%	3.5%
2019	2.5%	2.3%	2.6%
2020	0.7%	0.3%	1.1%
2021	4.1%	4.1%	3.3%
2022	7.7%	7.7%	6.2%
2023	7.3%	6.8%	7.7%
2024	5.4%	4.4%	6.4%

The Social Security pension increases in line with:

- RPI(pensioner) in years when this is higher than the increase in average earnings, so that the pension maintains its value during times of higher price increases (see 2017, 2018, 2021 and 2022).
- Above RPI(pensioner) in years when average earnings are rising faster than prices, so that in the long term the value of the pension tracks the growth in the overall economy.

The Minister has considered the implications of significantly increasing the full rate of the Social Security pension, which is currently £286.51 per week.

The full rate of the Social Security pension would need to increase to £466 per week (up by £179 per week) to be equivalent to the wage of a person working full-time at the minimum wage (40 hours per week at £11.64 per hour).

This would be a significant 63% increase in the value of the Social Security pension and would require working age contributors to pay in an extra £156 million per year. This would increase in the future as the number of pensioners increases.