

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 17th NOVEMBER 2015**

Question

The response to question 9041 on Long Term Incapacity Allowance (LTIA) awards reveals that the number of awards has increased by 31% over the years 2009 to 2014 whilst the cost of these benefits has risen by a similar amount (33%). Can the Minister inform members by how much the value of such awards has been increased to match inflation over this period?

Does the Minister accept that examination of the figures presented in the table given in the response shows that over the period the numbers of lower percentage awards have grown at a much higher rate than those higher percentage awards and, if not, why not?

What explanation can the Minister offer for the changes revealed in the table, which indicate that the degree of disability exhibited by applicants for LTIA has decreased over this period and can the Minister assure members that these changes are not the result of deliberate policy changes on the part of ministers, past and present, to 'toughen up' on the granting of percentage awards or simply to save money on the cost of LTIA?

Answer

LTIA is a contributory benefit paid with reference to the standard rate of benefit which is increased under the Social Security Law by the annual percentage increase in Average Earnings. These uprates are made in October of each year.

It is correct to note that the number of lower percentage awards has grown more quickly than higher percentage awards over the last few years. Until October 2004 Jersey had two contributory benefits payable for incapacity due to accident these being Injury Benefit and Disablement Benefit and two payable due to illness these being Sickness Benefit and Invalidity Benefit. These benefits were replaced with Short Term Incapacity Benefit, Long Term Incapacity Benefit and Incapacity Pension.

Unlike invalidity benefit, which was only available for those who were considered medically "unfit to work", the current LTIA benefit is available on a percentage basis, and provides a benefit to individuals with a much lower level of loss of faculty. Therefore people with comparatively low levels of long-term incapacity have a new benefit available to them. It will take some time for the uptake of this benefit at lower percentage rates to stabilise as people become more familiar with the benefit.

As noted in Question 9041 the principles governing how incapacitation is assessed are given in the Social Security (Assessment of Long Term Incapacity) (Jersey) Order 2004. Medical Board doctors receive training in how these percentages should be discerned and their decisions are guided by examples set in Law. For example absolute deafness has a degree of incapacitation of 100% and loss of two fingers on one hand has a degree of incapacitation of 20%. The Order which sets out these principles has not been amended since its introduction in 2004 and there has been no policy or instruction to deviate from these principles.

The assessments awarded by medical boards are subject to audit by medical doctors to ensure consistency. Specialist training materials are kept under review to ensure medical boards remain in line with the law.

I can assure members that there have been no policy changes 'to 'toughen up' on the granting of percentage awards or simply to save money on the cost of LTIA'. I can also confirm that an examination of the current range of working age benefits including long-term incapacity allowance available under the Social Security scheme will form part of the major review to commence in 2016.