

**STATES MEMBERS' INCOME SUPPORT AND EXPENSE ALLOWANCE: ANNUAL INCREASES**

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**Lodged au Greffe on 23rd October 2001  
by the House Committee**

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**STATES OF JERSEY**

**STATES GREFFE**

180

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Price code: A

## PROPOSITION

**THE STATES are asked to decide whether they are of opinion -**

- (a) to agree to suspend Standing Order No. 44(1);
- (b) to agree that for paragraph 3 of their Act dated 14th July 1998, as amended by Acts dated 8th December 1998 and 6th June 2000, with regard to the provision of an expense allowance and a minimum income for elected members of the States there should be substituted the following paragraph -

“3. The amounts of income support, allowable income and expenses allowance shall be adjusted with effect from 1st January 2002, and on 1st January in each year thereafter on the following terms -

- (i) income support and allowable income by a percentage figure halfway between the percentage rise in the Jersey Retail Prices Index and the percentage rise in the Jersey Index of Average Earnings at the end of the previous year;
- (ii) expenses allowance - in accordance with the Jersey Retail Price Index figure as at the end of the previous year;

and the Finance and Economics Committee shall report the amounts annually to the States.”.

### HOUSE COMMITTEE

Note: The Finance and Economics Committee's comments are to follow.

## **REPORT**

On 19th June 2001 the States began consideration of a proposition of the House Committee (P.74/2001) which asked the States to agree that members' income support and expense allowance should be increased by 2.5 per cent from 1st January 2002 and annually thereafter in accordance with the States' Anti-Inflation Strategy. The States did not adopt the proposition and the President of the House Committee agreed to ask the Committee to reconsider this issue. The House Committee has now done that and accepts that many members of the States consider that an increase more in line with the RPI figure should be proposed. This proposition therefore requests the States to agree that the amount of income support and allowable income should be adjusted annually by a percentage figure halfway between the percentage rise in the Jersey Retail Prices Index and the percentage rise in the Jersey Index of Average Earnings at the end of the previous year; and the expense allowance adjusted by the Retail Price Index figure as at the end of the previous year. As the annual increases will depend on figures which will not be known until the end of each year, the opportunity is taken in this proposition to reinstate the provision that the Finance and Economics Committee should notify the States each year of the amounts payable so that they are placed in the public domain.

### **Financial and manpower statement**

The Committee accepts that the increase may be in excess of the States anti-inflation target if the Retail Prices Index remains above 2.5 per cent at the end of the year and the exact financial impact cannot be known until the December index is published. The Committee is nevertheless responding to the views expressed on 19th June 2001 and believes that it is a matter for the States to decide whether they are willing to make an exception to the Anti-Inflation Strategy. There are no implications for the manpower resources of the States.