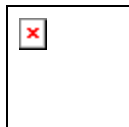


**DRAFT ACT AMENDING FURTHER THE ACT OF THE STATES DATED THE 27TH DAY OF APRIL 1999
ESTABLISHING A SCHEME TO MAKE CHILD CARE MORE AVAILABLE FOR LOW INCOME FAMILIES**

**Lodged au Greffe on 27th November 2001
by the Employment and Social Security Committee**



STATES OF JERSEY

STATES GREFFE

180

2001

P.183

Price code: A

Report

On 27th April 1999, the States approved the establishment of a scheme to make child care more available for low income families. In essence the scheme provides financial support through the income tax system to those in the marginal tax band and by allowance to people whose income is sufficiently low that they do not pay income tax.

As changes in the income tax system are made which affect marginal tax bands, some amendments need to be made to the Child care Allowance System to maintain the balance between tax and benefits. The Employment and Social Security Committee is recommending changes to the income parameter and the minimum rate of child care allowance to reflect these changes. At the same time, the Committee is recommending an increase to the maximum rate of the allowance to reflect increases in the rates charged by child care providers. The rates have not been increased since 1999 and so the Committee are suggesting increases of £10 a child or £20 a family.

The number of claimants of the allowance has remained relatively static since the scheme's inception at 160 and the monthly cost of the benefit remains at approximately £47,000 a month. These amendments will be met from the child care budget prescribed for the year 2002 if the predicted take-up and increase in earnings continues.

There are no manpower implications for the States arising from this draft Act.

Note: The Finance and Economics Committee supports the draft amended Act of the States, subject to the increases being met from within the Employment and Social Security Committee's existing cash limit.

Explanatory Note

This Act will increase the minimum and maximum levels of income that a person may earn in order to qualify for the assistance with child care costs for which people in employment are eligible if their income is such that they do not benefit from a child care allowance for income tax purposes.

Act amending further the Act of the States dated the 27th day of April 1999 establishing a scheme to make child care more available for low income families

STATES OF JERSEY

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THE STATES, adopting a proposition of the Employment and Social Security Committee, have made the following further amendments with effect from 1st January 2002 to their Act dated the 27th day of April 1999^[1] (as amended by their Act dated the 2nd day of May 2000^[2]) establishing a Scheme to make child care more available for low income families -

- (a) in Article 2, by substituting for the word “clause” the word “Article”;
- (b) in Article 4(1)(c), by substituting for the figure “£3,302” the figure “£3,914”;
- (c) in Article 5(1), by substituting for the figure “£200” the figure “£220”;
- (d) in Article 5(2), by substituting for the figure “£100” the figure “£110”;
- (e) in Article 5(2), by substituting for the figure “£3,302” in both places where it occurs the figure “£3,914”;
- (f) in Article 5(2), by substituting for the figure “£30” the figure “£31.15”;
- (g) in Article 6(1)(a), by substituting for the figure “£3,302” the figure “£3,914”.

^[1] No. 9389.

^[2] No. 38/2000.