

***Further Consultation
On
Income Support
Proposals***

September 2006

Social Security Department

States 
of Jersey

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1. Foreword from the Minister for Social Security

A major change is planned in the way that Jersey delivers support to members of our community needing financial help. Next year many of the benefits available through States departments and the parishes will be combined into a single “Income Support” scheme. This is designed to ensure that help is given to people who need it, using a process that is accessible, fair and effective. The new scheme will provide support towards the costs of housing, living, medical needs, and childcare. Carers will also receive support. The amount of benefit received will depend on the household income.

The system being developed is unique to Jersey. We have taken advantage of our small size to design a comprehensive Income Support scheme from scratch. This has given us the opportunity to concentrate on our key aims:

- **Targeting benefits to local residents based on need**
- **A simple system with a single application process**
- **Easy for people to understand**
- **Encouraging people to help themselves**
- **Cost-effective administration**

The main Law setting out the framework of the Income Support system has been lodged and is due to be debated by the States in October this year.

This document contains details of how we believe the proposed scheme should work. Your feedback on these proposals will help us to finalise the regulations to be discussed by the States next year.

This document does not include information on the new benefit rates. My department will start collecting and analysing data later this year which will enable us to propose rates and details of protection for existing beneficiaries’ transitional payments. In early 2007 the new system, including the rates, must be debated and approved by the States Assembly before the scheme can start.

The budget in 2007 for Income Support payments is based on the existing cost of non-contributory benefits. The various rates will need to be set to match the budget that will be available.

The introduction of a Goods and Services Tax (GST) in 2008 will have an impact on prices in many local shops. The Treasury and Resources Minister has given an undertaking that part of the money raised through GST will be used to protect families with lower incomes from increases in prices caused by the introduction of this new tax. The Income Support scheme will start in 2007 but will be reviewed immediately before GST is introduced to take account of the additional cost to people receiving benefit. In this way households will be safeguarded from the effect of GST from day one.

I hope that you find this document useful. We have included a short questionnaire at the end and would be very grateful for your comments. Your feedback will help to ensure that the scheme meets the needs of our community

Yours sincerely,

A handwritten signature in black ink that reads "Paul Routier". The signature is written in a cursive style with a large initial 'P' and a long, sweeping underline.

Senator Paul Routier

Minister for Social Security

2. Introduction

The overall aim of the Social Security Department is:

Helping people to achieve and maintain financial independence

This sets the context for the introduction of the Income Support scheme. The Strategic Plan 2006 - 2011, recently approved by the States, includes the objective of delivering

“An integrated system of benefits which help residents to achieve and maintain financial independence and which provides appropriate financial support for local households and individuals unable to support themselves” (objective 3.6)

The idea of an Income Support system has been developed by the Social Security Department over the last 10 years. Initial proposals were set out by the Employment and Social Security Committee and approved by the States in May 2000. Further details were explained in a report, RC 48 (Income Support System), presented to the States in November 2004. The Department then carried out public consultation leading up to a States proposition (P86 – Income Support System) in April 2005, followed by a debate in June 2005. The States overwhelmingly supported the establishment of an Income Support system, as set out in the report for P.86.

At the time, the Employment and Social Security Committee explained:-

“5.1 Purpose

The Committee was of the view that the main purpose of the new simplified system should be to help and enable people to –

- avoid poverty, and*
- take appropriate actions and life decisions to get out of poverty.*

It should also provide a firm foundation on which the Island can work towards the eradication of financial and social exclusion in the Island.

5.2 Principles

The Committee set the following overriding principles for the design of a new Income Support system. The system should –

- be effective in tackling real needs*

- *promote work*
- *encourage self-reliance*
- *be easily understood and accessible*
- *be equitable, consistent and sustainable; and*
- *take account of the whole needs of the family.*

Real needs have to be tackled effectively to give more immediate support to families on low incomes and, specifically, to encourage higher take-up amongst low income pensioners.

People will be encouraged to work to support themselves when capable of doing so and keep their affairs in order and plan for retirement wherever possible.

In designing a more accessible system, the Committee recognised that there may have to be some ‘trade offs’ between simplicity versus complexity. The new system must strive to be fair to the community as a whole, striking the balance between individual, taxpayer and State, and must be sustainable now and through the demographic changes ahead.

The system will be based on a common philosophy of award based on need, a common assessment, and one administration and will take account of the needs of the whole family.”

A great deal of work has been done since the States debate. The main Law describing the Income Support scheme has now been lodged and can be viewed on the States website (www.gov.je). It provides the legislation that will underpin the system but it requires regulations to set out how the scheme will work. This consultation document describes the content of the regulations as well as explaining how Income Support will be delivered.

The decision made by the States was based on the assumption that the budget available for Income Support would be equal to the sum of the budgets for the benefits that it would replace.

The current benefit systems do not necessarily work together to prevent fraud. Benefit fraud is taken very seriously by Social Security and the development of Income Support gives the Department an opportunity to design out fraud as far as possible as well as to introduce procedures to aid its detection

If you have any views on any aspect of Income Support, please send your comments to the Income Support team (contact details on page 42). The consultation ends on 20th November 2006. The results will be used to help form the draft regulations that will be published early in 2007.

A Glossary is included at the end of this document (page 43), setting out details of benefits and other relevant information.

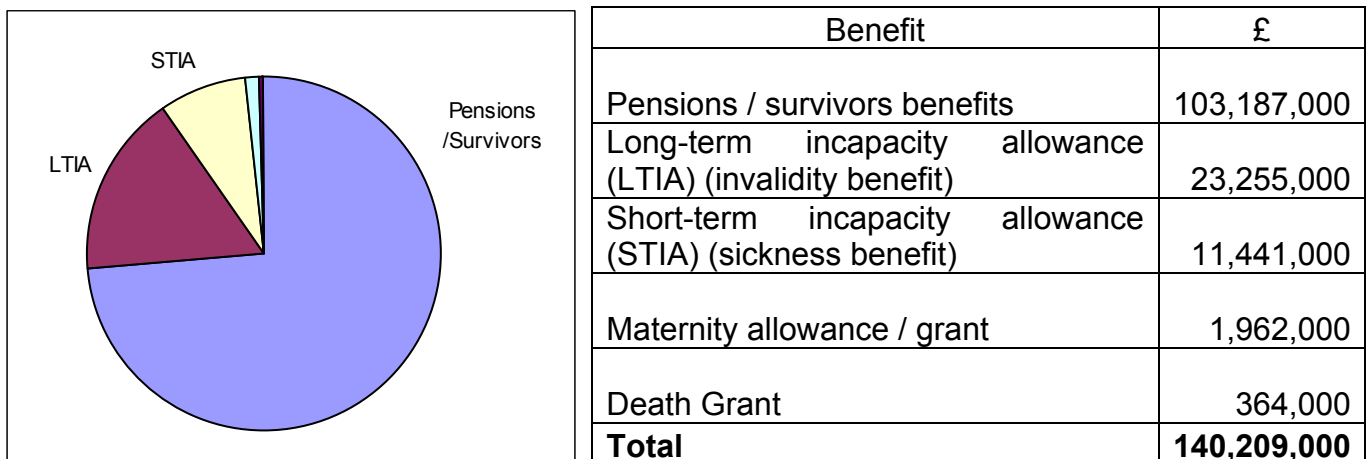
3. Background

The Social Security Department provides two types of benefit: contributory benefits and non-contributory benefits. Most of the non-contributory benefits will be replaced by the Income Support scheme.

3.1 Contributory Benefits

Contributory benefits are available to people who have worked in Jersey and contributed to the Social Security Fund. Employers and the States (from taxes) also pay into this Fund which provides benefits and pensions to protect workers at times in their lives when they cannot work. The benefits are increased each year in line with the increase in earnings so that they maintain their value relative to earnings. In 2005, £140 million was paid in Social Security benefits as follows:

Chart 1: Contributory Benefits Expenditure 2005



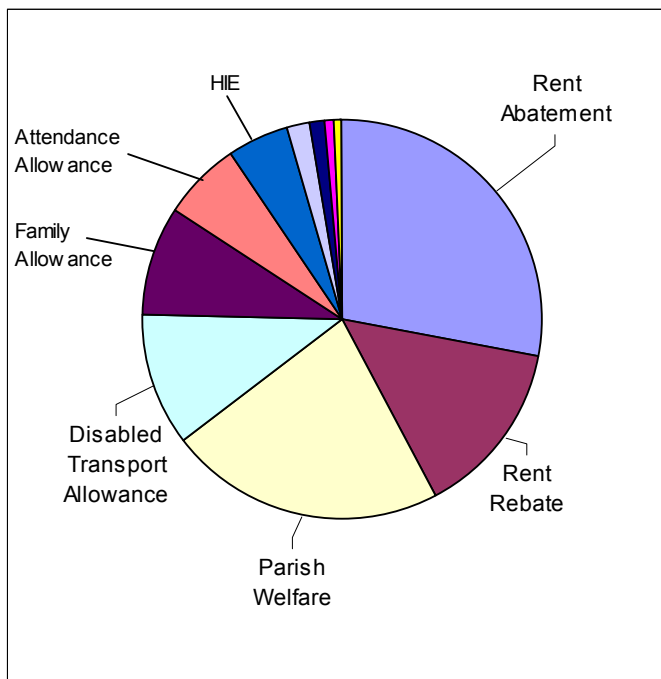
The Income Support scheme will not affect contributory benefits or pensions. These benefits will continue to be paid in the same way as now. Some people will receive both contributory benefits and Income Support benefits in the future.

3.2 Non- Contributory Benefits

Many people need extra support at some point during their lives. Most countries provide this help through non-contributory benefits which are funded by the taxpayer. In Jersey, this is done in a variety of ways. The parish welfare system has traditionally helped Jersey born people in times of need. In addition, over the last 50 years, the States has given extra support to specific groups of people including: people not born in Jersey but who have been living here for at least five years; tenants; people with disabilities and working parents with young children.

In 2005, £58 million was paid in non-contributory benefits as follows:

Chart two: Non-Contributory Benefits 2005



Benefit	£
Rent Abatement	16,244,000
Rent Rebate	8,147,000
Parish Welfare ¹	12,860,000
Disabled Transport Allowance	6,395,000
Family Allowance	5,155,000
Attendance Allowance	3,616,000
Health Insurance Exception (HIE)	2,927,000
Adult / Child Disablement Allowance	1,031,000
Educational Allowance / Home Study Grant	682,000
Childcare Allowance / School Age Discount Scheme	469,000
Subsidised milk	361,000
Total	57,887,000

The benefits that will be replaced by Income Support benefits include:

- Adult Disablement Allowance (ADA)
- Attendance Allowance (AA)
- Child Disablement Allowance (CDA)
- Childcare Allowance
- Educational Maintenance Allowance
- Disabled Transport Allowance (DTA)
- Family Allowance
- Health Insurance Exception (HIE)
- Home Study Grant
- Parish Welfare
- Rent Abatement
- Rent Rebate
- School-age Discount Scheme
- Subsidised Milk

1. Part of this figure is in respect of parish expenditure on native welfare for May 05 – April 06. This figure includes residential care funded through the Parish system. Residential care funded through Health and Social Services is not included.

We will be writing to existing claimants over the next few months explaining how the Income Support scheme will work and collecting information to help set up the new scheme. In 2007, after the regulations and the rates have been approved by the States, households will be informed of their new benefit rate before Income Support starts,

As a large number of households currently receive these benefits, we will start to collect information from October 2006 onwards to make sure that we can check everyone's details before the new scheme starts. Households will continue to receive their existing benefits until the Income Support scheme is in place.

When the Income Support scheme starts, some households will be eligible to receive more financial support than they currently receive and some will receive support at the same level.

Because one of the aims of Income Support is to target benefits more carefully to those households that need financial assistance the most, there will be some higher income households that will receive less benefit under the new system. **These households will be identified and will receive phased protection payments for a number of years. A total of £20 million has been allocated by the Treasury and Resources Department to these payments.** The full details of the phased protection during the transition period will be published early in 2007 and will be subject to a States debate in Spring 2007.

3.3 Other Non Contributory Benefits

Some non-contributory benefits available in Jersey will not change when Income Support starts. These include:

- 65+ health scheme
- Dental benefits scheme for young people
- Invalid care allowance
- Christmas bonus
- Jersey Television Licence scheme

People receiving any of these benefits will continue to receive them when the new scheme starts. Some people will receive these benefits and Income Support at the same time.

4. Who will be eligible to receive Income Support?

To receive Income Support, there are three principal conditions:

1. One adult from the household must satisfy the residency condition;
2. All the adults must satisfy the work condition;
3. The assessed income of the household must be less than the maximum Income Support available to the household.

Each condition is explained in more detail below:

4.1 Residency conditions

Only one adult in the household will need to satisfy the residency condition.

The Income Support Law treats anyone over school leaving age as an adult. School leaving age is defined by Article 2 of the Education (Jersey) Law 1999 which states that:

- Compulsory schooling ends on the 30 June in the school year in which the child attains the age of sixteen.
- The school year runs from 1 September to 31 August

The main residency condition will be set at five years' continuous residence in Jersey immediately before the start of the claim. (see Question 1, page 37)

The residency condition will also be met if a claimant has lived continuously in Jersey for five years, has left the Island for a time and then returned to Jersey and been resident longer than the time that he or she was away.

Example 1:

John came to Jersey	January 2001
John left Jersey in	April 2006
<i>(at this point, John had just over five years continuous residence, and would be eligible for Income Support if he had stayed in Jersey)</i>	
John returned to Jersey in	April 2007
<i>(John had been away for one year)</i>	
John is eligible for Income Support in	April 2008
<i>(after one year back in Jersey, John satisfies the residency condition again)</i>	

This system will allow people to regain eligibility following a period of absence. It will give residents the opportunity to travel or seek work elsewhere, in the knowledge that if they are unsuccessful they will not have to wait another five years to claim Income Support in Jersey (unless they had been away for five years or more). However it will also provide a check on those who travel overseas on extended holidays returning with no assets and no job but hoping that the States will support them

Short absences of up to 28 days will be ignored and longer absences may also be ignored in some situations, for example, going to the UK for medical treatment.

Time spent in prison in Jersey (as part of a custodial sentence) will count neither as presence in nor absence from Jersey and should not help the individual to become eligible for Income Support. On the other hand, those with at least five years' residence immediately prior to their conviction, should be helped as soon as they leave prison, without having to spend time re-qualifying.

The present situation is very confusing with many different residency conditions for different benefits ranging from three months to 13 years. In the first consultation (held between December 2004 and April 2005), it was generally agreed that there should be a single qualifying period for claiming Income Support. Living in Jersey for five years shows a commitment has been made to the Island and also a contribution to the local economy and community.

Because Income Support will be the "safety net" for Jersey residents, the Law will also allow the Minister, in exceptional circumstances, to support households who do not meet the strict requirements of the Law,. If the department could only provide benefit to households that satisfied all the conditions, without any flexibility, people in difficult and genuine situations could be left without necessary help.

Example 2:

John (a long-term Jersey resident) marries Mary, who has recently arrived in Jersey. They set up home in Jersey and have two children. After Mary has been in Jersey for four years, John dies, leaving Mary with the care of two small children.

In this situation, the household would not satisfy the requirements for five years' residence. However, the Minister would be able to support this household using the flexibility provided within the main Law.

It is impossible to make a list of all the possible situations in which the Minister would use this power. However, the department will publish guidelines offering advice to individuals and organisations setting out a range of situations in which an application would be considered.

One of the biggest changes in the new system is the proposal that housing subsidies will be available to households that do not have residential qualifications, currently set at

13 years. The migration policy agreed by the States set a target of 10 years for future access to residential qualifications (“entitled” status).

Being born in Jersey will not be enough on its own to qualify for Income Support. Some people born in the Island might have lived abroad or in the UK for many years then decide to return to Jersey. Although these people will still have residential qualifications, they will not qualify for Income Support straight away.

While there is concern that the cost of extending Income Support to people with five years’ residency could be high, the introduction of Income Support is a very positive step towards reducing the inequalities in our society. There are approximately 1,500 households in Jersey that will have between 5 years and 12 years residence in 2007. Most of these households will not need Income Support. If 20% - 25% of these households are in the income bracket that would receive Income Support, this would add 300 to 400 households to the total number receiving Income Support.

Evidence suggests that many households without residential qualifications are economically very active, with some people having more than one job. In this situation, households would be unlikely to qualify for Income Support. Giving financial support to these households may change their behaviour. This could increase the cost of Income Support but it would also bring social benefits to children being brought up in these conditions at present.

Others think that five years is too long and benefits should be available after three years. The lower the residence limit, the more people will be included in Income Support. If the limit is set very low, there is the possibility that individuals will be attracted to move to Jersey in the knowledge that they can receive benefits after just a few years.

4.2 Work requirements

Income Support is based on the philosophy of helping people to help themselves. In financial terms, this means that people who are able to work should be given every encouragement to do so. The Income Support Law sets out that everyone receiving Income Support, over school leaving age, should be working. The Law then provides a list of reasons which exempt people from needing to work full time (see section 4.3, page14 - Exemptions from work).

People who are working will need to be in “remunerative work”. This means that the worker must expect to be paid for the work. The payment could be wages or include other kinds of benefit such as free accommodation, within certain limits. (There is a minimum wage in Jersey, set at £5.24 per hour at the moment). Special rules will be applied to self-employed people.

Workers involved in a legal industrial dispute and on strike will still be treated as being in remunerative work.

There will also be a definition of full time work, which is proposed to be set at 32 hours a week.

At the moment, there are no benefits which have a formal link with work, although parishes monitor welfare claimants and encourage them to seek work. They have discretion to reduce benefit payments if they consider that claimants are not making every effort to seek employment. Other benefits such as Family Allowance do not require individuals to prove that they are working or seeking work. The rules for Health Insurance Exception (HIE) actually discourage people from working as some people lose entitlement to HIE if they work more than 25 hours a week.

4.3 Exemptions from work

There will be people receiving Income Support who will not be expected to work at all and others who will only be expected to work part-time. These are set out in the draft Law.

There will be no requirement to work or seek work at all for people who are:

1. Over 65 years old

The pension age in Jersey is now set at 65. Some women still have the right to a pension when they are 60 and some people choose to take a reduced pension at 63. Individuals under age 65 will be expected to have a job or be looking for a job, even if they are already receiving a pension.

As the number of older people in Jersey increases over the next decade, this age group will become increasingly important to the labour market. That said, it may be difficult for older people to find new jobs and this will be taken into account in the job-seeking process (see section 4.4, page15 - Job-seeking).

2. Looking after a child under five years old

The Social Security Department administers a scheme (Home Responsibility Protection) that allows the parent of a child under five to remain at home with the child. The department credits the pension record of the parent for up to 10 years whilst the parent is involved in looking after a young family. The Income Support scheme will take a similar line, and a parent with a child under five would not be required to seek work.

These are the only two groups that will automatically be completely exempt from the work requirement.

There are other groups of adults who will not be required to work full time, but they may need to work part-time, or seek part-time work depending on their particular circumstances. These groups include individuals:

- In full-time education
- looking after a child aged five years or above
- caring for someone with severe disabilities, or
- with a medical condition that prevents them from working full-time.

Some people in these categories will not be required to work at all.

Illness or disability often leads to a loss of earning power. Individuals who are unable to work full time will be encouraged to take part-time work. Training and support will be available to help people retrain and learn new skills.

One of the main aims of Income Support is to help people to help themselves. Studying for qualifications to improve job prospects would be a valid reason for not seeking full time work. The course will need to be one that has been approved by the Minister for Social Security, including courses at Highlands such as a BTEC diploma in Health and Social Care, or a City and Guilds certificate in Food Preparation.

At present, the funding of university students is under review. It will be important to ensure that any change to the existing grant system acknowledges the needs of students from low income families.

The Income Support scheme takes into account the individual's responsibilities. Parents looking after school age children and those caring for individuals with severe disabilities will not be expected to look for full time employment outside the home. Carers spending at least 35 hours a week caring will not be expected to take on any other job.

Compared to existing benefits, the Income Support scheme will place more importance on individuals working if they are able to do so. This will include both adults in a marriage or partnership, once the youngest child reaches five years old. People who have difficulty in finding work will be given help with basic skills and confidence building courses so that they are better equipped to re-enter the workplace. Careers advice and guidance on specialised training will also be available.

4.4 Job-seeking

If an adult (that is, anyone over school leaving age) in an Income Support household is not working but is able to work (either full-time or part-time), he or she will be referred to the Work Zone in the Social Security Department and will have an interview with a specialist Job Adviser. Together they will draw up a jobseeker's agreement. This will set out what the individual needs to do to prepare for work and finding a job and what the department will do to support them.

The agreement might include attending a training course, writing a CV, or doing voluntary work to gain experience. The individual will meet the Job Adviser regularly to check on progress. If the individual breaks the agreement and does not complete the tasks agreed, then the Income Support benefit could be reduced or withdrawn completely.

It will be difficult for some people to find jobs. Individuals who make genuine attempts to find appropriate work will not be penalised if they are unsuccessful. On the other hand, individuals who are obstructive, offensive or who deliberately spoil their chances of getting employment may well have their benefit reduced. (See question 2, page 37)

Attending the Social Security Department to get help in finding employment is currently voluntary. The service will continue to be available but Income Support claimants will in future have to attend interviews and other activities at agreed times.

The department will also act as a gateway service, advising people of opportunities and training courses provided by the States and other organisations.

5. How to make an Income Support claim

Income Support benefit will be calculated for a household, rather than for an individual. When people are living together at the same address and sharing some of their income or expenses, the assumption will be that they are a single household.

The definition of 'household' in Income Support will be wide. It will recognise both married and unmarried couples, including same-sex relationships. One of the major difficulties with existing systems is that it is very hard to prove that unmarried couples are cohabiting. The Income Support scheme will assume that people living at the same address help each other financially. It will be up to the claimant and the members of the household to show that there is no financial relationship.

However, there will be some situations in which the department will treat somebody as a separate household even if they are living with other people. This might happen if an elderly relative lives with a family or an adult child remains living in the family home.

An individual will usually be a member of one household. Sometimes children are looked after by both parents, following a divorce. If both parents claim Income Support then the benefit for the child will be split between the two claims, and the child will be counted as a member of both households.

Within the household, one individual will be the claimant. The claimant will usually have a private interview with an Income Support Adviser, either at the Social Security Department, at a parish hall that provides this service, or in the claimant's home. In order to help Income Support claimants who are elderly or have a serious medical condition, advisers will be available to visit people in their homes to collect information and explain the scheme to them.

The claimant will need to provide documents to prove residency, income, tenancy details, etc. The adviser will be able to make an immediate payment if there is an urgent need.

Those parish halls which decide to provide assessment services will be available to all residents, not just local parishioners. For example, someone living in St Mary but working in St Brelade, could choose to visit the parish hall in St Brelade. All parish halls involved in Income Support will have access to the central database of information.

6. How will Income Support be calculated?

Three distinct elements are proposed in the calculation of Income Support:

1. The day to day living costs of the household will be broken down into a number of components. Rent, childcare and costs relating to the medical condition of individuals will be considered as well as a basic component covering things like food, heating and clothing for each member of the household. The components will be assessed and combined to calculate the needs of the household. (See section 7, page 19 - How will the components be calculated?)
2. The second calculation will assess the income of the household. (See section 8, page 25 - How will income be assessed?)
3. Finally the total of the components in 1 above will be compared with the assessed income in 2 above. If the assessed income is less than the total of the components in 1, the difference will represent the Income Support benefit. This will be calculated on a daily basis and paid weekly.

The next two sections give details of the components and the income assessment.

7. How will the components be calculated?

7.1 Basic components

It is proposed that a basic, **living component** will be included for each person in the household. This will cover everyday costs such as food, transport, heating and toiletries. There will be three levels of basic living component:

- Adult (anyone over school leaving age)
- Lone parent (a household with only one adult and at least one child)
- Child

A separate component for a lone parent is being proposed to acknowledge the additional cost of maintaining a family home with only one adult.

Currently, parish welfare provides support for adults and Family Allowance provides support for children. 16-18 year olds remaining at school can receive an educational allowance in addition to family allowance. Parish welfare provides different benefit rates for individuals aged up to 15, 16-17 year olds and 18-20 year olds. Income Support will set one rate for all children up to school leaving age. After that, they will be eligible for the adult rate.

Our research suggests that throughout adult life, although needs alter, basic living costs do not change a great deal. At this stage therefore, we are proposing that the Income Support system sets one rate for an adult regardless of age (although it would be possible to set different limits on savings for pensioners, to allow them to retain more capital (see section 9, page 27 - how will capital be assessed?))

Some costs do not depend on the number of people in the household – one TV licence is needed for a single householder or a large family. To cover these costs, it is proposed that a basic **household component** should also be added.

Some claimants will not be eligible for the household component, for instance, individuals living in residential care or in a hostel. A son or daughter over school leaving age remaining in the family home but claiming Income Support as an individual will not be eligible for the household component.

7.2 Housing component

The housing component will depend on the type of household and the type of accommodation.

Currently, rental costs for tenants with residential qualifications are covered by rent subsidy schemes run by the Housing Department. There is some existing financial support for families without residential qualifications through parish welfare. Income Support will widen the support available for housing costs, to include home owners and lodgers, although it will not extend, in normal circumstances, to subsidising mortgage payments.

The Housing Department subsidy schemes are currently available for people aged 25 and over, although couples and people with dependent children receive support from an earlier age. In future the housing component will not normally be paid to people who are under 21. During the first consultation, the age at which a housing subsidy should become available was a major point of discussion. The age limit of 21 is being proposed so that young people will not be encouraged to leave home just to receive help with rent through Income Support.

Some young people aged less than 21 will be unable to stay in the family home. For individuals aged between 16 and 18, the department will take advice from the Children's Service to confirm that it would not be possible for the teenager to remain in the family home. These individuals could be supported from the age of 16 and would continue to receive a housing component beyond the age of 18, if it was still necessary. A claimant aged between 18 and 21, with dependent children, could also be eligible for a housing component.

If a household is renting accommodation, the value of the housing component will be based on the number of people in the household and whether they occupy a flat or a house. A maximum rental rate will be set for each type of property and the housing component will be equal to the actual rental or the maximum rental rate, whichever is the lower.

Grown-up children who continue to live at home will not necessarily be counted in the Income Support household. When a child finishes education and starts working, the income of household will increase. If the income of this young adult is included as part of the Income Support calculation, the benefit available to the household will be reduced. This could act as a disincentive for the individual to enter work. The alternative is to exclude the young adult from the calculation of Income Support. In this way the household will not receive any Income Support benefit for the grown-up child, but the individual would retain their own wages.

Up to the age of 21, the young adult will not be eligible for a housing component and the family will continue to receive a full housing component. At 21, the young adult will become eligible for a housing component in their own right. At this point the housing component available to the family would be reduced and the young adult would be expected to contribute towards the housing costs of the family.

Example 3:

1) Son under 21 in full-time employment

Mary is a lone parent with three children, Peter aged 17, Sarah aged 13 and Darren aged 11. Peter has left school and has a full-time job. He is not counted as part of the household receiving Income Support. However, Mary will continue to be eligible for a housing component for the full value of the rental. Peter does not receive any Income Support.

2) Son under 21, jobseeker

If Peter loses his job and becomes a jobseeker, he may be able to claim Income Support and receive the basic adult component, but he will not receive any household or housing component. Mary will still be eligible for a housing component for the full value of the rental.

3) Son of 21 or above in full-time employment

From the age of 21, Peter is considered responsible for his own housing costs. While Peter remains in work, and does not qualify for Income Support, he should contribute one quarter of the rent to his mother. The housing component available to Mary will be reduced, and she will be eligible for three quarters of the full component).

4) Son of 21 or above, jobseeker

If Peter loses his job and becomes a jobseeker, he would be eligible for one quarter of the housing component as well as a basic adult component. Mary will continue to be eligible for three quarters of the housing component, so the full rent for the house is covered by Income Support components.

Home owners will also be eligible for a housing component to help with the cost of *fancier* (owner's) rates and building insurance premiums. (See question 3, page 38)

We are not proposing to provide specific help to people with mortgages through the housing component. In very exceptional circumstances, households will be able to seek a Special Payment (see section 10, page 29 – Will one-off payments be available?) to cover the cost of mortgage interest for a strictly limited period.

Lodgers and individuals living in hostels will be eligible for a component based on the rental value of a bedsit. Individuals in residential care will be eligible for a component based on an agreed fee.

7.3 Medical component

Ill health or disability can often lead to extra costs. The Income Support scheme provides a number of levels of medical component ranging from a small weekly component to help with the extra cost of visiting a GP up to residential care fees for an individual who can no longer manage at home.

The level of medical component will be set following advice from the doctor caring for the individual, and the individual's own account of the effect that the condition has on their daily life.

On occasions a doctor's examination will be required to provide the information the department needs.

The component will cover three main areas:

- the amount of help that an individual needs in their daily routine (this could include meals on wheels, home help and day care for the elderly);
- a mobility allowance, particularly for people who are working; and
- an allowance to cover the cost of regular medical services that an individual requires.

The medical component will not include nursing care – this is provided by Health and Social Services and will not form part of Income Support.

Currently, there are a number of benefits (AA, ADA, CDA and DTA) available to people with serious illnesses or disabilities. But support for people with less serious conditions who face regular additional medical bills is more patchy. HIE is currently a benefit which helps people with medical costs, but it is not available to people in full time work, and it is not specifically targeted at people with medical conditions.

Pensioners are helped through the 65+ Health Scheme which subsidises dental, optical and chiropody costs – this scheme will continue and pensioners on Income Support will also be able to claim assistance through the 65+ scheme. Another scheme that benefits youngsters aged 11-21 is the Dental Benefit scheme, providing help with dental bills. This will not be affected by the introduction of Income Support.

7.4 Respite Care

When a family chooses to provide care at home for a family member who is seriously ill or disabled, respite care is often essential, to provide a break for carers, and to help deal with emergency situations. The Income Support scheme does not provide a separate component for respite care, but it is important that the provision of respite care is included in the care package for individuals being looked after at home. There is currently a shortage of respite care places in Jersey, particularly for adults. Social Security will encourage the Health and Social Services Department to provide additional

respite care, as this will be essential to enable more people to remain at home, rather than moving into residential care.

7.5 Residential Care

(See question 4, page 38)

The highest level of medical component will be available to people who need residential care. At present, residential care fees are paid by the parishes, the Social Security Department and the Health and Social Services Department. There is currently no common procedure for placing people in residential care. The Social Security and Health and Social Services departments are working together to agree a simple procedure for placing individuals in the most appropriate residential care setting. The assessment will be carried out by a team of professionals involved in the care of the individual and the individual will be supported by a social worker.

This medical assessment will ensure that people get the right level of care. It will be quite separate from the financial assessment, which will give the individual the financial support they need.

Sometimes, although someone may be very ill, they prefer to stay at home. If they are assessed as being eligible for residential care, it may be possible to use Income Support to provide the funding for a care package to enable the individual to remain at home. This would need to be with the approval of health professionals and a social worker. The value of the care package would be up to the value of a residential care place.

7.6 Carer's component

Many people give freely of their time to care for a relative or friend. The Income Support scheme will include a component for someone who undertakes a regular and substantial amount of caring for an individual. The individual being cared for must qualify for a high-level medical component.

The individual receiving care will not need to be living with the carer, and they will not need to be receiving Income Support themselves. There will be a single rate for the carer's component.

Invalid Care Allowance (ICA) is an existing benefit paid to carers who give up work to care for an individual. ICA will not be affected by Income Support. An individual who receives ICA may also be eligible for the carer's component.

During the first consultation the opinion was expressed that it was unfair that people could not claim ICA and a pension at the same time, as is currently the case. As ICA and pensions are benefits that provide a replacement for earnings they cannot both be awarded at the same time. However, the carer's component will be available to adults

of any age and it is proposed that it will be available in addition to ICA or an old age pension.

7.7 Childcare component

Parents of young children have to decide between staying at home with a child until they reach school age or returning to work leaving the child in the care of a childminder or a nursery. The parent staying at home will be able to apply for Income Support as well as the existing Home Responsibility Protection (HRP). The parent who wishes to return to work may be eligible for financial assistance through Income Support, including a childcare component, depending on household income.

The childcare component will be based upon reasonable day care costs, calculated with the assistance of the Jersey Childcare Trust.

Sometimes the parent will have a medical condition or disability which will make it difficult for them to care for a young child full time. This parent may be eligible for a childcare component. The component may also be available to a parent who takes part in training to improve their job prospects.

Certain childcare costs for children between 5 and 12 years old will also be eligible for a childcare component. This will include before and after school care during term time and holiday schemes in the school holidays.

At present, financial help is available to families who have recently arrived in Jersey with children of primary school age. These families are economic migrants, with both parents usually working full-time. The five year residency requirement for Income Support will exclude these parents from support in future, although parents already receiving support would continue to be assisted through phased protection payments (see question 5, page 39).

8. How will income be assessed?

All the income coming into a household will be assessed. There are different types of income and they will be treated separately. Income includes both money and benefits in kind received instead of money. The way in which different types of income will be assessed is designed to encourage households to become self-sufficient as far as possible.

Earned income

When an individual first applies for Income Support the current earnings of each adult in the household will be assessed. People without a regular, fixed wage will be assessed by looking at the average of a number of wage packets. The earnings will include bonuses and overtime etc. For self employed people, the average could be calculated from their latest accounts. For existing claimants, earned income will be reassessed at least once each year.

Earnings of children (up to school leaving age)

Limited earnings from part-time work such as Saturday jobs will not be included.

Lodgers

Income received from lodgers living in the family home will be included in the income calculation.

Maintenance

Lone parents will be expected to obtain maintenance from the absent partner. If necessary, they will be offered advice about the legal process.

Income from savings and capital (including property)

Actual income from savings, capital or property will not be counted as income. An income will be “deemed” from the value of savings, capital and property (see section 9, page 27 - How will capital be assessed?) and this “deemed” income will be used as part of the overall benefit calculation.

Benefits and pensions

All contributory Social Security benefits from Jersey and other countries will be included in the household income. All pensions will also be included.

However, there are a number of benefits available to pensioners which will not be included in the income assessment. These include:

- Christmas Bonus
- Health benefits available under the 65+ Health Scheme
- Free TV licences (for 75+)

8.1 Deductions

Currently, each income related benefit in Jersey uses a different method to calculate income. Sometimes benefits are not counted as income but sometimes they are. Income Support is designed to be much fairer in its overall approach and to encourage people to work whenever they can. Rather than disregarding benefits, a proportion of earned income will be disregarded. As the income of the household increases, the benefit gradually decreases until the household is completely self-sufficient.

One of the long term aims of the States Fiscal Strategy is to integrate the tax system and the benefits system. Given the proposed changes to the income tax system and the uncertainty regarding tax income over the next few years, it is not possible to fully integrate tax and benefit systems at the moment. This will not be an issue for most households receiving Income Support because they will not be paying income tax. However, in some cases changed circumstances will mean that household income has dropped so that the household becomes eligible for Income Support. If there is a tax liability from the previous year, the ITIS payments in respect of the previous year would be deducted from the income for the current year, in the calculation of the Income Support benefit.

The assessment will allow for various deductions to be made against gross income. (See question 6 page 39.) These include:

- **Employee Social Security contributions** - Class one Social Security contributions will be deducted from the assessment of gross wages. For self employed people, only the employee element of the contribution will be deducted;
- **ITIS** - ITIS contributions in respect of a tax liability from the previous year will be deducted from the assessment of gross wages. Contributions in respect of tax arrears will not be deducted;
- **Maintenance payments** - Costs for the maintenance of a child living elsewhere will be taken into account and deducted, up to the value of the child component.

Separately, there will also be a deduction from gross wages of a fixed percentage. The effect of this will be to provide an incentive for working. For each adult in the household, the net wage is calculated as the gross wage less the deductions.

Income Support is designed to encourage people to work. One way of doing this is to allow individuals to keep a percentage of earned income. This part of the earned income will not be included in the assessment and will provide extra income to the household.

Example 4

For example, If 10% of the earnings are excluded, then 90% will be included. In this case the assessed income used in the final calculation is:

90% (net wages) + (benefits + pensions) + (income deemed from capital)

9. How will capital be assessed?

Benefits which are calculated on the basis of “means” should take account of capital assets. People with substantial assets but little income do not need the same amount of support as those with little or no assets.

The value of capital assets will be used to produce a “deemed” income. This is not a real income but it is a way of reducing benefits gradually as capital assets increase. Every household will be allowed to have a certain level of assets before any income is “deemed” (see question 7, page 40).

If the total value of the assets is above the limit for the household, then a “deemed” income of one pound per week for every £250 of capital assets above the limit will be added to the household income. This will have the effect of gradually reducing the amount of Income Support benefit payable.

The Housing Department sets a capital limit of £50,000 in its housing subsidy scheme. Households with more than £50,000 do not receive any housing subsidy, those with £49,000 are eligible to receive the full subsidy (depending on income). Income Support avoids sudden jumps in benefit by gradually reducing benefit as capital increases.

The biggest asset that most people have is their own house. If the house is lived in by the household, it will not usually be counted as part of the capital assets of the household.

Some houses are worth a great deal of money. Sometimes an elderly person does not wish to leave the family home although it is much too big for a single person. If a house is very valuable or is much too large for the number of people actually living in it, Income Support may be given as a loan, to be repaid when the owner dies.

Capital that will be counted includes any property owned in Jersey except the home that is occupied by the household, houses or land owned abroad, savings, stocks and shares, Premium Bonds and investments including items bought as investments (wine, art, jewellery, etc).

Because the capital value of the assets will be used to calculate a “deemed” income, the actual income received on savings, capital and property assets will not be counted as part of the household income. If the total value of the assets is below the limit for the household, then the household keeps both the assets themselves and any income (interest, dividends, rent, etc) without the loss of any benefit.

9.1 Payment of Residential Care Fees

The increasing number of elderly people is likely to create more demand for residential care in the medium-term. The previous Employment and Social Security Committee explored this issue in the report “RC49/2004 – Policy Review of the Social Insurance System in Jersey: Interim Report” and the department is considering a number of options to deal with this increasing need. These options might include a separate insurance scheme for long-term care, additional Social Security contributions or funding through general taxation.

Whatever is done to address this major issue, funding will not be available for some years. In any event, it is likely that there will be some individuals who will not be eligible for any new scheme and so it is probable that there will be a continuing need for Income Support to be available to cover residential care costs for some individuals.

If an adult qualifies for the residential care medical component and owns their own home, the value of the house may need to be taken into account. This would happen whether or not the individual leaves the family home. (It has been commented that it would not be right to provide the same level of funding for individuals staying at home or moving into residential care, but only to require those moving into residential care to contribute towards the cost using the capital value of the house. There is evidence that some individuals who should be in residential care have not taken that option because they are hoping to retain the full value of the family home).

The Income Support Law provides a mechanism to take a legal charge, registered in the Royal Court, against a property. The charge would only be recovered after the individual had passed away. Sometimes, the individual moving into care shares his/her home with a partner or a carer. The other person would still be eligible to receive Income Support and no attempt would be made to recover any charge against the property until the partner or carer left the property. Alternatively, the house could be rented out to provide an income to help pay the fees (see question 4, page 38).

This is a difficult and sensitive area and the Department is keen to promote a broad discussion on the wider issue of funding residential care.

10. Will “one-off” payments be available?

10.1 Special Payments

(This part of the Income Support scheme has previously been referred to as “the Citizens’ Fund”.)

The main benefit in Income Support will be a weekly payment to help households cover basic living costs such as accommodation, food, transport and heating. The weekly payments are not designed to include money towards major items such as large pieces of furniture, large dentist bills or the cost of a funeral.

If someone in a household already receiving Income Support is faced with a major expense, he or she will be able to apply for a loan or a grant to meet the particular expense.

The kinds of bills that might be paid include:

- Furniture and household equipment
- Medical bills, including dentist and optician
- Costs associated with starting work or staying in work (special clothes, tools etc)
- The cost of moving into new accommodation
- Funeral costs including the repatriation of bodies
- Mortgage interest payments (for a limited period)

Loans and grants will also be available to some people who are not claiming Income Support.

If a household would qualify for Income Support on income grounds, but is not eligible because no adult in the household satisfies the residence condition, but they are within six months of satisfying it, then a member of that household will be able to make a claim for a Special Payment.

If a household has an income which is only just above the level at which it could claim Income Support, then someone from that household will be able to make a claim for a Special Payment. It will normally be given as a loan, with agreed repayment terms.

There will be some costs that will be paid by using Special Payments even if the individual does not qualify or nearly qualify. The main cost in this category will be the repatriation of someone to their home country.

From time to time, there will be costs that cannot be predicted. The Law will include the power of the Minister to make payments in exceptional circumstances. Guidelines will be published providing advice to individuals and organisations as to the areas in which the exceptional payments would be likely to be considered.

The department will look at applications for Special Payments. They will be judged on:

- How urgent the need is
- Whether the claimant has any other way of meeting the cost

The actual value of the Special Payment will be based on the current cost of the item or service. If appropriate, this may be the value of a second-hand item (see question 8, page 40).

If the Special Payment is for something that is bought from a shop (washing machine, carpets etc) then the payment will be made to the shop and the goods delivered to the household address. If the Special Payment is for a service (dentist, funeral, etc) then the payment will be made to the service provider.

10.2 Loans and grants

Administration of Special Payments will allow for both loans and grants. A Special Payment will normally be made as a loan which will remain as a debt against the household. This can be paid off in small amounts but it is not anticipated that households will be expected to repay loans whilst they are still receiving Income Support. It is more likely that the loan would be recovered when the household is in a more robust financial situation. In some particular circumstances, the Special Payment will be made as a grant.

11. How will the benefit be paid?

Under Income Support, the benefit will usually be paid by BACS (direct into a bank account) or, failing that, by cheque to minimise the cost of administration. For a small number of claimants cash payments will be available, for example:

- Claimant requires money in an emergency
- Claimant cannot open a bank account
- Claimant has an overdrawn bank account
- Claimant finds it hard to manage living expenses

The participation of parishes in the administration and delivery of Income Support could allow local access to cash payments. Within St Helier, the Social Security offices will establish a new facility for paying cash.

11.1. Medical Bills

The weekly Income Support payment will provide households with money to pay for regular household expenses such as food and utility bills. It is also designed to cover the cost of each household member visiting a GP several times a year.

Because it is difficult to predict when you will need to visit a doctor and sometimes several family members will become ill in a short space of time, this is an expense which often causes problems for families on limited incomes.

The department is proposing to provide a scheme to help households save for medical costs. A small allocation will be made each week from the benefit paid. The money deducted will be kept in a separate account for each household and will be used to make direct payments to GPs.

When a household member visits the GP, s/he will make a small cash payment direct to the surgery. The balance of the cost of the visit will be split between the normal health subsidy scheme and Income Support funds, using the household medical account. If the household account does not have enough money in it to meet the cost, Income Support will still pay the GP and allow the account to become “overdrawn”, temporarily. In this way the household will be making regular contributions towards its medical expenses and the Department will “lend” money to the household to cover any temporary shortfall.

12. Will there be an appeals process?

The Income Support scheme will be based on Law. The Law allows claimants to appeal against Income Support decisions in a number of ways.

If a claimant is unhappy with an initial decision, the first step will always be to have the decision reviewed by another officer. If the second officer agrees with the original decision, but the claimant is still dissatisfied, they can make a formal appeal. If the decision is a medical one, then the appeal will be made to a special Medical Appeals Tribunal which would include a doctor as a member of the Tribunal.

Other decisions will be referred to the Social Security Tribunal, which is made up of independent people. The members are approved by the States roughly every 3 years. At the moment there are 6 members on the tribunal. This will be increased to 12 members when Income Support is introduced with three members attending each hearing. Having a larger pool of members is designed to speed up the appeals process.

Additional members will be recruited using the appropriate appointment procedures and a full programme of training will be available to new and existing members.

The final appeal on legal matters will be put to the Royal Court.

13. How will claims be reviewed?

Once the claim is set up, it will be reviewed on a regular basis. For most households, a review form will be sent through the post to be completed and returned. Some claimants may be interviewed again or visited to collect up-to-date information. As well as a full review at least once a year, there will be additional reviews depending on the particular household. If individuals are receiving a medical component, their medical condition will be reviewed regularly, depending on the nature of their condition.

If individuals are jobseeking, they will have frequent reviews with a specialist adviser. These reviews will be based on the job seeking agreement drawn up between the individual and the adviser. The reviews may be weekly or monthly and the adviser will expect the jobseeker to have completed the agreed actions from the previous review. This could include attending job interviews, training or undertaking voluntary work.

14. How will Income Support be administered?

One of the main reasons for introducing a unified Income Support scheme is to simplify the administration for all concerned.

At the moment, a household in need of financial support may have to approach up to five different States/parish offices to get the support that they are entitled to. Each office has its own way of assessing income. The claimant has to repeat information and may need to produce the same documents several times. This is time-consuming and can be confusing. Some people may not receive as many benefits as they should because they do not know that different benefits are available from different offices.

Bringing all the benefits into a single system means that a claimant will complete one form, supply documents to one office and receive one payment with all the possible benefits that they are entitled to.

Whenever a new claim starts, a review date will be set up. If the household is settled with a steady income (e.g. a pensioner), the review will be after 12 months. If the household circumstances are likely to change within the year, then more frequent reviews will be scheduled.

Wherever the claim is made, the information will be stored on a central database which will record information about the household, its income and the various components to which it is entitled. This is an efficient way of storing information as the IT system will be able to quickly carry out processing across all claims. For example, Social Security pensions and other benefits are increased every October, and these changes will be applied automatically to update Income Support claims. In the same way, when GST is introduced in 2008, Income Support benefits will be automatically increased just before the new tax comes in.

The central database will also reduce the cost of administration. At the moment, staff in different offices are collecting and storing the same information and calculating benefits based on the same incomes and circumstances. For example, a lone parent needs to apply to the Housing Department for a rent subsidy, the local parish hall for parish welfare in respect of the parent and the Social Security Department for Family Allowance for the child. Three different offices are collecting information about the same family in order to provide three sets of money to help support that family.

Under Income Support, the lone parent would apply once and could receive benefit to cover housing costs, living costs for the parent and living costs for the child through one office.

The main office for dealing with Income Support will be the Social Security Department. The St Helier Community Services Department, currently based at Nelson Street, will close. Other parish halls will provide a range of Income Support services including private interview rooms. Some parishes will act as agents of the Social Security Department to provide Income Support payments to parishioners and carry out

straightforward assessments and reviews. An agreement will be made between the Minister and individual parishes on the level of service to be provided by each parish. All parish staff involved in Income Support will be fully trained by the Social Security Department and will report to Social Security managers on any Income Support matters. All officers undertaking Income Support tasks will take the Oath of Secrecy, set out in the Social Security Law. The use of personal information will be very closely monitored to ensure that Data Protection principles are followed.

People will have the choice of making a claim directly with Social Security or at a parish hall (see question 9, page 40 and question 10, page 41).

Questionnaire

We appreciate the time you have taken to read this consultation paper. We would be interested to hear your views on any of the plans that we have but in particular the points below.

The questionnaire can be completed on an anonymous basis, and we will be unable to trace responses back to individuals. However, if you wish to receive a reply to your comments, please provide a contact name and address at the end of the questionnaire.

=====
Our aim is to understand the views of as many people as possible, we would be grateful if you could supply the following details, on an anonymous basis:

Age range (please tick one)

- 16-24
- 25-44
- 45-64
- 65 or above

Are you.... ? (please tick one)

- Owner occupier
- Tenant with residential qualifications
- Tenant / Lodger without residential qualifications

Do you have any children aged 15 or less?

- No
- Yes - Number aged 0 – 4
- Yes - Number aged 5-11
- Yes - Number aged 12-15

Are you currently.....? (please tick one)

- Working for an employer
- Self employed
- Unemployed, looking for work
- Unable to work due to a long term sickness / disability
- Retired
- In full time education
- A homemaker
- Other, please give details

Do you receive any of the following benefits? (please tick all the ones you receive)

- Social Security Pension
- Rent Rebate
- Rent Abatement
- Parish Welfare
- Family Allowance
- HIE
- AA/ADA
- DTA

Are you completing this questionnaire on behalf of a group / organisation?

- No
- Yes, please state name of group / organisation (optional)

When answering the following questions, please consider the fairness, equity, social desirability and cost of the options. As the Income Support budget is fixed, extra costs in one area will lead to reduced benefit levels in one or more areas of the scheme.

1. How long should someone live in Jersey before they are eligible for Income Support? (Section 4.1 - page 11)

- At least 3 years
- At least 5 years
- At least 10 years
- Any other – please specify

Comments

2. What sanctions should be applied to someone who fails without good reason to take part in jobseeking activities? (Section 4.4 - page 16)

- None
- Small loss of benefit
- Compulsory training activities
- Complete loss of Income Support

Comments

There will be a housing component for owner occupiers, to assist with the cost of property rates and building insurance. The housing component could be set at a higher rate to include an amount for regular maintenance. The cost of this higher rate would need to be included in the overall Income Support budget.

3. Should the housing component for owner occupiers include an amount for property maintenance? (Section 7.2 - page 21)

- No
- Yes, a fixed amount
- Yes, a variable amount depending on the size of the household

Comments

4. Should home owners receiving a residential care component contribute to the cost of their care through the Income Support scheme? (Section 7.5 - page 23 and section 9.1 - page 28)

- Not at all
- Some of the value of the house should be recoverable after the death of the owner
- Up to all of the value of the house should be recoverable after the death of the owner

Comments

The Jersey Child Care Trust (JCCT) currently receives a grant from Social Security which is used to provide discounts to working parents using after-school care for their children. These discounts are available to parents as soon as they arrive in Jersey; there is no minimum residence period. It would be possible to maintain a grant to allow the Trust to continue to offer subsidised places to these parents. The cost of the grant would need to be taken from the overall Income Support budget.

5. Should working parents, who have recently arrived in Jersey, receive help with after school care costs, even though they do not qualify for Income Support? (Section 7.7 - page 24)

- Yes
- No

Comments

Many employees pay into an occupational pension scheme and individuals also pay into personal pension schemes. This reduces the disposable income of the individual but provides them with financial security in retirement. The calculation of income for Income Support purposes will take account of Social Security contributions and ITIS payments (where applicable). Allowing pension contributions to further reduce calculated income would provide an incentive for the individual to participate in a pension scheme. This would result in a higher cost for Income Support benefits in the short term, but should also reduce Income Support costs in the longer term as the individual will have a better income as a pensioner.

6a. Should pension contributions be allowed as a deduction from the income calculation? (Section 8.1 - page 26)

- No
- 50% of contributions
- 100% of contributions

6b which kind of pensions should be included?

- None
- Private pensions
- Compulsory occupational pensions
- All occupational pensions

Comments

The calculation of the Income Support benefit will include an amount of capital for each household which will not form part of the assessment, so the household will be able to have a certain amount of capital and still claim its full entitlement to Income Support. There will probably be one limit for single people and a higher limit for couples.

7. Should pensioner households be allowed a higher capital limit than working age households? (Section 9 - page 27)

- No
- Yes, 50% more
- Yes, 100% more
- Any other limit, please specify

Comments

8. If a household applies for a Special Payment for furniture, should those goods always be brand-new? (Section 10.1 - page 30)

- Yes
- No, good quality secondhand goods should always be provided
- No, good quality secondhand goods should be provided in some situations

Comments

9. How important should the role of the parishes be in the administration of the new Income Support scheme? (Section 14 - page 35)

- Very important
- Important
- Not important
- Not involved at all

Comments

10. If you needed Income Support in the future, where would you be most likely to go? (Section 14 - page 35)

- Local parish hall
- Another parish hall
- Social Security Department
- I would be physically unable to get to any of these

Comments

If you have any other comments please add them here or include on a separate piece of paper

General Comments

=====

Thank you for completing the questionnaire.

Please detach the questionnaire from the main report and send it to

Income Support Team
Social Security Department
P.O. Box 55
La Motte Street
JE4 8PE

Alternatively,

- the questionnaire can be left at the main reception desk at the Social Security Department;

or

- the questionnaire can be e-mailed to
income.support@gov.je

(Please cut and paste the questionnaire into your email or add as an attachment).

If you have any queries please contact the Income Support Team on

- Telephone +44 (0)1534 280200
- Fax +44 (0)1534 280209
- Email income.support@gov.je
- Or at the address given above.

This questionnaire is anonymous and we are unable to trace responses back to individuals.

Appendix One: Glossary

65+ health scheme – is a means tested scheme to subsidise dental, optical and chiropody costs for the over 65's.

Adult Disablement Allowance (ADA) – is for adults who have been unable to work for some time because of a disability.

Attendance Allowance (AA) - is for people who have a severe disability, physical or mental, who need a lot of looking after by day or night.

Childcare Allowance (CCA) – individuals who are working and not paying tax may be able to receive some financial assistance towards the cost of child care.

Dental benefits scheme - A subsidy to help pay towards dental cost for 11 to 21 year olds.

Disability Transport Allowance (DTA) - is intended for adults and children who cannot safely leave home without help because they are severely disabled, physically or mentally.

Educational Maintenance Allowance – provides financial assistance to parents/guardians on a low income whose children remain in full time education in Jersey between the ages of 16 and 18 years.

Employment and Social Security Committee – this committee has been replaced by the Minister for Social Security, following the transfer to ministerial government at the end of 2005.

Family Allowance (FAM) - is intended for the benefit of the family as a whole. It is paid to families who have at least one child under 16 and where the family income is below set amounts. Payment may continue after the 16th birthday if the child remains in full-time education in Jersey.

Goods and Services Tax (GST) - a tax to be applied to a wide range of goods and services. It is due to be introduced in 2008.

Health Insurance Exception (HIE) - is a scheme which allows certain people on a low income (who are unable to support themselves by working) to see their doctor and get prescribed medicines free of charge. Entitlement is based on the circumstances of your family and does not take account of individual medical conditions.

Home Study Grants - are available from the Department for Education, Sport and Culture to some students who remain in full time education, in Jersey, between the age of 18 and 25.

Household - the definition of household in the Income Support law will be based on the idea of financial interdependence of people living in the same accommodation. There will be exceptions from the definition to allow some individuals in particular circumstances to have a separate Income Support assessment.

Invalid Care Allowance (ICA) - is for people of working age who cannot work because they stay at home to care for a disabled person. It also protects carers' contribution records so that they do not lose their own right to Social Security benefits and pensions.

Parish Welfare - is financial assistance administered by each Parish in times of need.

Rent abatement - helps tenants in States rented housing by giving a reduction in the rent they pay.

Rent rebate - helps tenants in private sector rented housing by giving a payment to the tenant to assist with the previous month's rent.

School leaving age - Article 2 of the Education (Jersey) Law 1999 provides that:

- Compulsory schooling ends on the 30 June in the school year in which the child attains the age of sixteen.
- The school year runs from 1 September to 31 August.

School-age Discount Scheme - a means tested subsidy for children's after school care and holiday clubs.

Social Security Minister – the Minister replaced the Employment and Social Security Committee at the end of 2005.

Subsidised Milk – an income barred payment towards the cost of milk for expectant mothers, children under the age of 5, and people aged 70 and above. Some individuals aged between 65 and 70 are also eligible.

Television Licence Scheme - enables people who do not pay income tax and who have reached the age of 75 or over to have their television licence paid for them if they live in a domestic household.

Work Zone -The Work Zone at the Social Security Department can provide helpful advice to employers, people seeking a career change or anyone currently out of work.

Appendix Two: References

The following documents are available from the States web site www.gov.je , and from the States Bookshop, Morier House, Halkett Place, St Helier.

P.102/2006 Draft Income Support (Jersey) Law 200-

P. 86/2005 Income Support System

RC.48/2004 Income Support System

RC.49/2004 Policy Review of the Social Insurance System in Jersey: Interim Report

If you require assistance in accessing any of these documents, please contact the Income Support Team (contact details on page 42).