

# Minister's Report & Financial Statements 2013



# Social Security Department

*Centre for work, pensions and benefits*

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## Section 1 – Minister’s Report

### Minister’s Foreword

I am pleased to present the 2013 annual report for the Social Security Department. Last year’s report combined information on both contributory and tax-funded benefits for the first time, and the successful debut of that format has been built on to produce this year’s publication.

The diverse work of the Department provides a wide range of benefits and services that are used by virtually every Island resident at some time in their lives. This report offers a comprehensive overview of these wide-ranging activities. Headline figures include a total expenditure of £422 million and a contribution income of £185 million, supported by a strong reserve fund with a balance of £1.2 billion.

Unemployment has steadily dropped in 2013 from a record high of 2,050 in March to a year-end figure of 1,750 and is on course to continue this trend into the future. Services provided by the Back to Work teams at the Social Security Department constituted the States’ frontline response to unemployment. Throughout 2013 BTW continued to develop approaches that were innovative, responsive and cost-effective, and I’m very proud of everything that the staff have accomplished in such a short period of time. I am especially pleased to report that our schemes to encourage employers to prioritise locally-qualified unemployed people have proven to be a great success.

In parallel with the services provided by the Back to Work teams, I gained approval for tougher benefit sanctions under the Income Support system and during 2013 laid the groundwork for an increased financial incentive for Income Support claimants to take up and remain in work. This was implemented early in 2014 when the percentage of earned income that households can retain was increased. People who need help will always be supported, but one of the most effective ways this can be done is to ensure that they are always financially better off in work rather than on benefits. I also remain mindful of the small minority who abuse the benefit system, and in 2013, I strengthened resources to identify and discourage fraud by increasing the number of fraud investigation officers.

I lodged and the States approved a new Discrimination Law in 2013. The first stage of the Law will protect everyone in Jersey against discrimination on grounds of their race, nationality, ethnicity, colour and national origin. This Law is an important step from which Jersey can build protection against other forms of discrimination in the future, including sex, age and disability.

Looking further to the future, work continues to support long-term projects. 2013 has seen my officers working closely with colleagues in the Housing Department to facilitate the Housing Transformation Programme, an ambitious and comprehensive programme to increase the quality and availability of social housing in the Island.

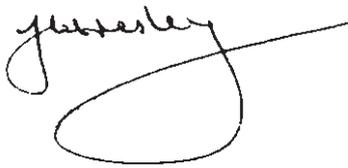
One of our biggest long-term challenges is the response to the demographic changes affecting the Island and planning to support the Island’s ageing population. 2013 saw significant progress towards a new benefit designed to provide help for those people who require assistance with the costs of long term care. Following the approval of a new Long Term Care Law in 2011, the States approved a detailed policy proposal and associated regulations in 2013. This is a huge achievement and will lead to one of the largest changes that Jersey has seen in the funding of social care. This work involved close partnership between my officers and colleagues in the Health and Social Services Department, the Taxes Office, Treasury and Resources and the Chief Minister’s Department. I would like to take this opportunity to thank those Departments for their hard work and support.

Work was also initiated to review various provisions for GP and dental services in the Island, and officers are committed to work alongside colleagues in Health and Social Services to address this important area. I’m confident that this collaboration will lead to improvements in access to primary care services, particularly for children and older residents.

These activities and the many others detailed in this report illustrate the way in which this Department has continued to successfully balance the needs of the many different groups of Islanders who are supported, either directly or indirectly, by our essential work.

Once again, it is important for me to stress that the comprehensive range of services and benefits provided is dependent on the hard work and commitment of our staff. Their tireless activity ensures that benefits are paid on time, contributions are collected and unemployed Islanders are helped to find work. Alongside their regular duties, in 2013 staff joined with colleagues in a States-wide efficiency programme to identify ways to improve the services that we offer. Many creative suggestions have already come out of this process confirming that staff are passionate about finding better ways to work and delivering the best value for money to the taxpayer.

2014 represents my last year as Social Security Minister, and I am proud to look back on all that has been achieved during my three years in office. I would particularly like to thank my Assistant Minister, Deputy Susie Pinel for her unstinting support, my chief officer Richard Bell for his wise counsel and the senior management team for delivering on my policy and legislative priorities. It has been a pleasure to have served my Island as Minister for Social Security and I wish my successor the best of luck in these challenging times.

A handwritten signature in black ink, appearing to read 'Le Gresley', with a large, stylized flourish underneath.

Senator Francis Le Gresley, MBE

## Social Security – Our Service

Our overarching aims are to help people achieve and maintain financial independence and to provide benefits to those islanders who are unable to support themselves. Our purpose is to offer:

### Support, Opportunity and Service by

- ❖ Supporting people to achieve and maintain an acceptable standard of living,
- ❖ Helping employers and employees to work well together for their mutual benefit and the economy of the Island,
- ❖ Planning for an ageing population, and
- ❖ Delivering benefits and high quality services.

We are responsible for:-

- A compulsory, contributory Social Security Insurance Scheme that receives contributions from employers, employees and general tax revenues. This fund is most closely associated with the payment of pensions, but the scheme provides contributors with benefits throughout life by offering support from Maternity Allowances through to Death Grants.
- A compulsory, contributory Health Insurance Scheme that receives contributions from employers and employees. This fund subsidises GP consultation fees and pays for the prescriptions issued by GPs and dentists.
- Non-contributory means-tested benefits including Income Support. These are funded from general tax revenues and provide targeted support for lower income households. In addition the tax funded Christmas Bonus is paid to local pensioners and certain other benefit claimants.
- Back to Work services which help people into work and support adults with special needs to obtain and maintain employment.
- Employment legislation, which sets out minimum standards for good employment relations and protection in the workplace including rights relating to written terms of employment, holidays, rest days, notice pay, redundancy pay, unfair dismissal and a tribunal to resolve disputes. The Department also has responsibility for setting the minimum wage. The Department funds the Jersey Advisory and Conciliation Service (JACS) to provide advice, training and conciliation.
- Health and Safety legislation providing a legal framework which sets out the duties of employers and employees to observe health, safety and welfare at work, as well as the Health and Safety Inspectorate which provides proactive advice to employers and undertakes investigations when things go wrong.
- Developing discrimination legislation. This legislation will create 'protected characteristics' ensuring people are not treated unfairly due to their race, sex, age or disability, taking into account best practice adapted to the needs of Jersey.
- Developing long-term care legislation. This legislation will collect contributions from adults who pay income tax and provide benefit to adults who have long-term care needs.

## Executive Summary

This document aims to provide a high-level overview of the benefits and services we offer and a snapshot of the funds we administer on behalf of Islanders, current and future. We are required to plan for the long-term financial stability of the Island whilst simultaneously reacting to changes in the immediate economic situation; our customers are wealthy people and low-income families alike, sick and healthy, young and old. The year-end position of the funds administered by the Department show robust figures that point to our continuing success in meeting our financial objectives. This report supplies the context that demonstrates what this success means to the everyday people behind those figures.

The importance of work to Island life is at the heart of our business, as we offer a financial safety net to every worker in the Island through an insurance scheme to support them through common life events such as sickness, raising families and planning for old age. Those people unable to work through illness, disability or old age are helped through both the contributory and tax-funded benefits we offer, and those people who are unemployed but looking for work are supported through a range of schemes to address the employment needs of any customer and financial support through Income Support. We are proud to serve the entire community, and approximately 1 in 3 Jersey households receive some kind of regular payment from the Department.

At the end of the year, the total assets of our funds stood at £1.33 billion. During 2013, a total of £185.0 million was collected in contributions, funding £154.2 million paid out in Old Age Pensions, to over 29,000 pensioners in Jersey and around the world, as well as a range of other benefits. The single biggest taxpayer-funded benefit spend was £73.0 million provided to low income households through Income Support weekly benefit.

The Island's finances continue to demonstrate a healthy position, and we remain well placed to meet the challenges that demographic changes present, in particular, the challenges of an ageing population.

Benefits & Services Administered by the Department	2013 spend £ million	Supporting
Old Age Pensions	154.2	29,052 pensioners
Income Support	75.3	6,552 households
Long Term Incapacity Allowance & Invalidity Benefit	23.6	4,574 claimants
Pharmaceutical Benefit ( <i>cost of drugs and dispensing</i> )	18.1	1.8 million items prescribed
Income Support: Residential Care	16.7	579 claimants
Short Term Incapacity Allowance	12.9	509,714 days paid
Medical Benefits ( <i>GP subsidy</i> )	8.8	351,099 GP consultations
Employment Services ( <i>includes Back to Work</i> )	8.2	5,049 individuals registered
Survivor's Benefits	4.7	928 claimants
Maternity Benefits	2.7	970 mothers
Home Carer's Allowance	2.0	198 carers
Christmas Bonus	1.5	18,779 claimants
Insolvency Benefit	1.1	225 claimants
Employment Relations ( <i>includes grant to JACS</i> )	0.5	8,676 enquiries
Health and Safety at Work	0.5	621 incidents reported
Death Grant	0.5	689 grants paid
Food Costs Bonus	0.3	1,447 households
Cold Weather Bonus	0.3	1,122 households
65+ Health Scheme	0.2	4,011 claims
Gluten Free vouchers	0.3	423 claimants
TV Licence Benefit	0.3	1,879 claimants
Other Benefits ( <i>Less than £200,000</i> )	0.2	
<b>Total</b>	<b>332.9</b>	

**Table 1:** Summary of 2013 spend on benefits and services administered by the Department

## Getting People Back to Work

Tackling unemployment remained the Island's greatest priority during 2013, with the number of registered unemployed people in Jersey reaching a record high of 2,050 in March.

Through the focussed work of our Back to Work (BTW) programme, the number of people registered as actively seeking work had fallen to 1,750 by the end of December 2013. This total, whilst still uncomfortably high by Jersey standards, was the lowest recorded since October 2012. A total of 5,049 individuals were registered at some point in 2013 with the Department.

Following its launch in 2012, Social Security's dedicated Back to Work team continued throughout 2013 to deliver innovative initiatives to tackle the record levels of unemployment. For example, a new hospitality training programme in January resulted in 268 jobs being secured by unemployed Islanders in an industry that traditionally recruits a high percentage of its employees from outside the Island. October saw the successful debut of JobsFest, a new initiative created to help those who had not worked at all during the year. This led to the creation of 109 paid positions.

Over the course of 2013, Back to Work helped unemployed people into 1,818 paid jobs, up from 1,326 in 2012. Reducing unemployment remains the States' number one priority, and Back to Work as the key part of the States cross-departmental initiative, will continue to support local people to find jobs, and help local employers find the staff they need.

## Planning for an Ageing Population

The net asset value of all four funds at the end of 2013 was just over £1.33 billion, split between the Social Security Fund – £76 million, the Social Security (Reserve) Fund – £1,157 million, the Health Insurance Fund – £86 million and the Long Term Care Fund – £12 million. The performance of investments accounted for the majority of the annual increase in assets during the year, much of which was driven by rising markets; once again the year saw good returns from equity and corporate bond markets. This build-up of reserves is a sensible approach to the provision of future pensions and benefits, particularly when considering the demographic changes that are on course to affect all economies in the developed world. Simply put, people are drawing pensions for longer as lifespans increase, whilst birth rates remain static, reducing the ratio of workers to retirees and therefore adding to the pressure on the pension fund. Jersey is in a robust position that few other jurisdictions can match, but nevertheless it is inevitable that these trends must be factored into our long-term planning. With total benefit expenditure of £229 million in 2013 and costs rising steadily in the future, our reserves represent less than 6 years' expenditure.

A high level summary of the 2013 results for the four funds is shown in Table 2 below:

	Social Security Fund £ million	Social Security (Reserve) Fund £ million	Health Insurance Fund £ million	Long Term Care Fund £ million
Income	219.3	195.6	37.2	11.7
Expenditure	207.5	0.3	31.7	0.0
Surplus / (Deficit)	11.7	195.3	5.5	11.7
Net Assets at 31 December 2013	76.2	1,157.7	86.1	11.7

**Table 2:** Fund results for 2013

The UK Government Actuary's Department carries out periodic reviews of the financial condition of the funds we manage. These reviews consider the position of the fund taking into account changes in legislation and fund experience since the previous review, and project possible future levels of expenditure from the fund. This is balanced against possible contribution rates necessary to fund this expenditure. A review of the Social Security Fund

and the Health Insurance Fund (both as at 31st December 2012) commenced during 2013, with the results of the Social Security Fund review published in April 2014. These reviews will inform the decisions that need to be taken on the future of these funds and the future direction of pension, benefit and contribution strategies.

As expected, there has been a steady increase in the number of pensioners over the last few years, with an on-trend increase of 3% from 2012 to 2013. Over the last five years, the number of pensioners has increased by 15% whereas the total cost of pensions has increased by 29%. This difference represents the increase in the value of the pension, following growth in average earnings against which the value of pensions has been pegged since the early 1990's.

The trend in recent years has been for prices to increase at a faster rate than wages, meaning that many pensioners on limited incomes have experienced a reduction in their spending power. This is challenging for many households, but especially so for the Island's pensioners as the value of their pension has been linked to average earnings. A new uprating method for the Old Age Pension was introduced in 2013, in line with a public commitment given by the Minister in November 2012. A single payment of up to £82.88 was made to all pensioners in May, which was followed by the revised old age pension rate from October. These have the combined effect of increasing current pension entitlement in line with the increase in the RPI (pensioners) as at June 2012. The new formula for calculating an annual pension uprate will guarantee a pension increase which is at least in line with inflation without threatening the sustainability of pensions in the long term. Whilst the new method of uprating pensions ensures that pensions increase at least in line with inflation; in the longer term they also match increases in average earnings.

An especially cold winter at the start of 2013 meant that local pensioner households benefited from the introduction of a new payment in 2012 to help with the cost of fuel in cold winter months. These Cold Weather Bonus payments are linked to the severity of winter temperatures and so eligible households received a payment of £304.00 in 2013, compared to £243.48 in the previous year.

Good progress was made with the implementation of the Long Term Care Law, and the Department has continued to work in partnership with Health and Social Services and the Jersey Taxes Office to design a scheme which will support the care costs of our ageing population. This new benefit removes the risk of catastrophic costs often associated with long-term residential or nursing care and will be financed by contributions paid into a ring-fenced fund.

In June 2013 we announced that the rise in contributions to fund Long Term Care would be postponed until the 1st of January 2015 although the new long-term care benefit will still be available from July 2014. Ministers worked together to agree funding for the first 18 months of the scheme which will be supported using underspends from our budget. Progress was made throughout 2013, with a major policy paper issued in August 2013 and a series of debates in December approved the details of the scheme. Prior to the new scheme being introduced on 1<sup>st</sup> July 2014, the Income Support scheme provided financial help with the cost of care fees. In total 579 people were receiving support at the end of 2013 at an annual cost of £16.7 million. An £11.7 million underspend from Income Support in 2013 was transferred into the LTC fund.

## Ensuring Benefits are Fit for Purpose

We regularly review the benefits we provide and changes are made to make sure that, as society changes, our support is targeted to reach the people who need it.

A new system of sanctions for people who fail to look for work whilst claiming Income Support was proposed by the Minister in August 2013. It was overwhelmingly approved by the States on 8 October 2013 and came into force a week later. The changes were designed to complement the increased assistance to find paid work available through Back to Work, as well as the significant investment made by the States to help locally qualified jobseekers into work.

The new sanctions strengthened our ability to reduce or remove Income Support payments for those jobseekers who repeatedly fail to look for work, or fail to fully participate in training or work placements organised by us. In

addition, they included a new sanction to reduce the Income Support available to someone who leaves paid work without a good reason. Although the vast majority of jobseekers claiming Income Support will not be affected by the changes, they are expected to provide a strong deterrent to the small minority of Income Support claimants who do not do enough to find work.

Towards the end of 2012 we introduced a new benefit to protect Islanders whose employer becomes insolvent. Insolvency Benefit replaced a previous temporary scheme and provides employees with financial assistance if their employment ends due to the insolvency of their employer. The intention of the new benefit is to ensure that, where a formal insolvency procedure is underway, the former employees of insolvent businesses receive compensation in respect of any money owed to them by their former employer. This includes unpaid wages, holiday pay, statutory notice pay and statutory redundancy pay. This benefit is included in the Social Security Fund, and supported 225 employees who were made redundant in 2013 at a cost of £1.1 million.

Following a change in the Health Insurance Law in 2012, the Minister is now able to fund contracted services through the Health Insurance Fund. In 2013 the first small contract was agreed to provide a specialist GP service to a group of vulnerable adults.

## Supporting Workers

The Minister for Social Security is responsible for the legal framework which governs and supports good employment practices, including the setting of the minimum wage. The Minister followed a recommendation by the independent Employment Forum and increased both the minimum wage and trainee rate in 2013.

Supporting workers during short and long-term illnesses is an important function of the Social Security system. Over 25,000 claims for Short Term Incapacity Allowance (often called “sickness benefit”) were made during 2013. 50% of all claims lasted less than 8 days but 10% lasted more than 45 days. Over recent years the number of short term absence claims has been decreasing, while the average length of these claims has been increasing.

In May 2013, the States approved the draft Discrimination Law which will protect everyone in Jersey against discrimination on grounds of their race. Protection will apply in employment and recruitment, as well as in other areas including the use of premises, tenancies, education, clubs and associations, banking, shops, restaurants and other goods and services. This is an important achievement in terms of Jersey’s international obligations in relation to race discrimination. We will continue to prioritise this work by consulting next on protection against sex discrimination. Our Minister also directed the Employment Forum to consult on whether Armed Forces Reservists in Jersey should be given employment protection when they are mobilised on active service, given the potentially greater call on the services of Reservists in the future. The Forum reported back with its recommendation at the end of February 2014 as to the appropriate level of protection that could be introduced via the Employment Law.

## Improving services

Delivering better value for taxpayers is key to the ongoing success of the Island. The public sector has the potential to be more efficient and more responsive, but a significant cultural shift is required to deliver this kind of change whilst maintaining the high levels of customer service that taxpayers expect.

During 2013 our officers joined colleagues to participate in the States-wide process of public sector reform, and have already developed initiatives to reduce waste and provide better value across the services that we provide. We have no intention of lessening our focus on traditional customer service, but the process of modernisation requires us to look at ways of delivering services that are quicker and more convenient for the changing lifestyles of many of our customers.

A cross-section of our staff attended training courses, seminars and workshops in addition to their normal work, and were able to bring their new skills and enthusiasm for change back to the organisation. With support from our Senior Management Team, our Lean “green belts” and “yellow belts” developed an impressive number of projects in a short space of time. Many of these improvements were extensively planned in 2013, and are set to launch throughout 2014. We have also begun developing ways to make our services available on-line as part of the States-wide e-government initiative.

We provide a variety of benefits which pensioners can claim, particularly those on a low income. Marketing materials detailing these schemes and benefits are distributed to individuals themselves, as well as charities and voluntary groups, and were renewed during 2013. These benefits include Income Support, the Jersey 65+ Health Plan, free TV Licences for people over 75 and the Christmas, Cold Weather and Food Costs bonuses.

## Shaping Primary Care in Partnership

Work continued throughout 2013 on the Primary Care Strategy. We have worked closely with Health and Social Services throughout the year to shape the strategy for future GP and other primary care services, planning a sustainable system to provide high quality care for an ageing population. The Primary Care Governance Team, funded by the Health Insurance Fund but operating as an integral part of the Health and Social Services Department was set up in 2012. This team is now well established, and is setting a number of procedures in place that allow local GPs to be revalidated by the General Medical Council. This is an important step in establishing a good, modern governance structure to safeguard the quality of community based medical services in the Island, whilst building on the unique features of primary care in Jersey.

Whilst this new strategy is under development, we will continue to administer the Health Insurance Fund, subsidising the cost of GP consultations and funding medicines prescribed in the community. In 2013 over 351,000 GP visits received a subsidy from the Health Insurance Fund at a cost of £8.8 million. Some 1.8 million prescriptions were funded through the Health Insurance Fund at a cost of £18.1 million.

As agreed within the States of Jersey Medium Term Financial Plan for 2013-15, the Health Insurance Fund provided a transfer of £2 million in 2013 to support the cost of primary care services provided directly by the Health and Social Services Department.

## Joined-up Government

As well as providing benefits and services to our own customers, we support other departments in their strategic aims.

In May 2013 the States Assembly approved P. 33 “The Reform of Social Housing”, a major policy paper setting out the results and recommendations of the Housing Transformation Programme. The approval of this proposition included agreement that there should be a “rent policy of a return to near market fair rent levels”, and as a result the Minister was charged to take the necessary action to address the Income Support implications of the revised rent policy. This work was completed during 2013, a proposition lodged for debate in February 2014 and the revised Regulations brought into force in April 2014. This allows us to meet our agreed obligations under the scheme, namely to include the full cost of social rentals through Income Support, protecting existing and future social sector tenants.

A consequence of the shift to near market rents is that the rents charged for social housing properties will inevitably vary according to the market value of the individual property, and so can no longer be used to directly peg the “fair rent level” and the Income Support housing components available to households living in the private sector. We therefore replaced the “fair rent” levels with a comparable set of maximum rates designed specifically for private sector rental properties. These were calculated from the average market rental values across the range of Housing

Department stock for each comparable property type. Previous research had established that the historic process for the annual increase of Housing rents had resulted in “fair rent” levels that did not reflect the market, and so the proportionate increase in rates are expected to help the Income Support system to provide support to private sector tenants in a way that better represents their cost of living. These changes to support for private sector rentals were developed in 2013 and implemented in April 2014.

In addition, we worked closely with the Population Office to facilitate the introduction of the new Control of Housing and Work Law, which replaced both the Housing and the Regulation of Undertakings Laws. We worked with the Population Office to agree the details of the new registration card, and from July 2013, we became the central location for people to register under the new Law, notify changes to their circumstances and obtain the new cards. These cards replace the old Social Security cards, as well as holding information required under the new Control of Housing and Work Law, for employment and housing purposes.

## Managing Public Finances

2013 was the first year in which the States moved to medium term financial planning instead of annual business planning. Together with the approved Strategic Plan, the Medium Term Financial Plan is designed to change the way government operates, most crucially in placing the focus on longer-term decision making and planning.

The Plan covering 2013 to 2015 aims to ensure that the States has the financial ability to achieve its financial goals over the three years of the Plan. It incorporates medium and long term financial plans to deal with taxation, as well as funding strategies for long-term capital and revenue expenditure. The States decided that this kind of planning was essential to respond to challenges such as the economic downturn and the ageing population.

We receive funding directly from the States of Jersey to deliver a range of “tax-funded” benefits and services, as opposed to those directly funded by Social Security contributions. In response to the record levels of unemployment and the uncertain global economic outlook, our tax-funded budget for 2013 was increased to £184.6 million. The actual expenditure in 2013 was 1.5% lower than budget, at £181.8 million. The impact of the BTW programme lessened the effect of the recession on unemployment, and by extension Income Support, and a budget underspend of £11.7 million was utilised to provide initial funding for Long Term Care and delay the introduction of the new Long-Term Care contributions.

During 2013, we also made £2.8 million of savings to the tax-funded budgets as required by the States Assembly. A major contribution to the departmental savings target was achieved through changes to Survivor’s Benefit and Invalid Care Allowance (ICA) which were implemented at the start of 2013. A new benefit, Home Carer’s Allowance (HCA), was paid from the Social Security Fund from 1st January 2013. Existing ICA claimants were transferred to HCA, which is paid at the same rate as the existing benefit. Some changes were made to the benefit rules in order to bring it in line with other contributory benefits.

From 1st January, the entitlement to Survivor’s Benefit was restricted. Historically, this benefit was paid to working age people (regardless of income) following the death of their spouse or civil partner, and was based on the traditional concept of a widow’s pension. Such pensions were established at a time when it could be very difficult for a widow to find employment and support her family. Female employment patterns have changed substantially over the last few decades and a review of survivor’s benefits suggested eligibility for Survivor’s Pensions should be limited to those with a dependent child. The States agreed to this rationalisation in 2012 and also approved an amendment to ensure that survivors born before 1 January 1957 (survivors in older age groups) would continue to be eligible to claim a Survivor’s Pension, as well as protecting all existing claims.

For all working age survivors, a Survivor’s Allowance will continue to be paid for the first year following the death of a spouse or civil partner. Under the new conditions, only applicants with a dependent child will receive a Survivor’s Pension after the 12 months entitlement to the survivor’s allowance.

In addition, savings were achieved by freezing the uplift on some Income Support components and tackling fraud. Despite high levels of unemployment, it was possible to manage the ongoing cost of the Income Support benefit and further measures were put in place to restrict growth in this area. Rather than cutting the value of the benefit, we held immediate costs down through freezing components and lowered long-term costs by providing extra support to the long-term unemployed, helping individuals into work and reducing their reliance on the benefit system. This was achieved with a combination of financial incentives and targeted support through our BTW teams. These measures were essential, not only to meet the savings required under the CSR, but also to assist in the delivery of an extra £3 million of annual budget reduction from 2014, as our commitment under the MTFP.

# Who does Social Security Support?

## Babies



## Children



## Working Age



**Income Support Child Component** supports low income families with the living costs of their children

**Income Support Childcare Component** supports working parents with childcare costs of 0 to 11 year olds

**Maternity and Adoption Grants** provide a lump sum to help with the general costs of having a baby

**Maternity Allowance** is a weekly payment to help mothers while they take time off work to have their baby

**Home Responsibility Protection Credits** protect pension records for people who stay at home to care for a child

**Medical and Pharmaceutical Benefits** subsidise the cost of visiting a GP and any medicines prescribed

**Income Support Child Component** supports low income families with the living costs of their children

**Income Support Childcare Component** supports working parents with childcare costs of 0 to 11 year olds

**Dental Benefit Scheme** helps toward the cost of dental treatment for 11-21 year olds

**Student Credits** protect pension records while students are in full time education

**Medical and Pharmaceutical Benefits** subsidise the cost of visiting a GP and any medicines prescribed

**Income Support** is an income related benefit that provides support for those looking for work and those in work towards the cost of living.

**Insolvency Benefit** provides financial assistance to employees whose employers become insolvent

**Back to Work** teams provide support, coaching and training to help unemployed people back into work

**Health and Safety Inspectorate** ensures employers provide safe working environments

**Jersey Advisory and Conciliation Service** provides advice to employers and employees

**Short-Term Incapacity Allowance** is a daily benefit which provides income when a worker is unable to work due to sickness

**Survivor's Benefits** support a spouse or civil partner if their partner dies

**Medical and Pharmaceutical Benefits** subsidise the cost of visiting a GP and any medicines prescribed

### Key:

**Tax funded Benefit/Service**

**Contributory Benefit/Credit**

**Health Insurance Benefits**

## Illness and Disability



**Income Support Medical Components** provide additional assistance to lower-income households that include someone who has a long term medical condition

**Income Support Residential Care** helps fund the care home fees for people with care needs and little income or assets to meet those costs

**Housing Adaption Grants** help with the cost of adaptations to the home of those with permanent disabilities

**Jersey Employment Trust and Back to Work** help people with disabilities prepare for, find and maintain employment

**Long-Term Incapacity Allowance and Invalidity Benefit** support those with a long term illness or disability; either physical or mental, both in work and those unable to work

**Home Carer's Allowance** supports carers who give up work to look after someone with high personal care needs

**Medical and Pharmaceutical Benefits** subsidise the cost of visiting a GP and any medicines prescribed

**Gluten-Free Vouchers** help individuals who need a gluten-free diet

## Pensioners



**Income Support** supports lower income pensioner households

**Food Costs\* and Cold Weather Bonuses** provide help with the cost of food items and heating the home for pensioners who don't pay tax

**Christmas Bonus\*** is a one off payment to all pensioners resident in Jersey

**TV Licence Benefit** pays for the TV licence for over 75's who don't pay tax

**65+ Health Scheme** subsidises dental, optical and chiropody costs for pensioners who don't pay tax

**Old Age Pension** helps to cover basic needs in old age and is based on contributions paid throughout the working life

**Death Grants** help with funeral expenses

**Medical and Pharmaceutical Benefits** subsidise the cost of visiting a GP and any medicines prescribed

\* Also available to some working age families

## Social Security Overview

The body of this report describes the activities of the Social Security Department:

- Collection of contributions from individuals/employers
- Administration of funds
- Provision of benefits and services

It is divided into five sections:

- 1) **Fund Income Sources**, which details the income sources to the four funds administered by the Department
- 2) **Social Security Fund**, which details the benefits administered under the Social Security Law
- 3) **Health Insurance Fund**, which details the benefits administered under the Health Insurance Law
- 4) **Tax Funded Services/Benefits**, which details the services provided and benefits administered through tax funded money, including Income Support and the Back to Work programme
- 5) **Financial Statements**, for the four funds administered by the Department as well as tax funded revenue

The figure opposite shows the Social Security revenue sources and demonstrates the financial flow through the funds into the benefits and services. For simplicity it does not show all the financial information, such as investment income, depreciation or administration. These figures are located within the Financial Statements section of the report.

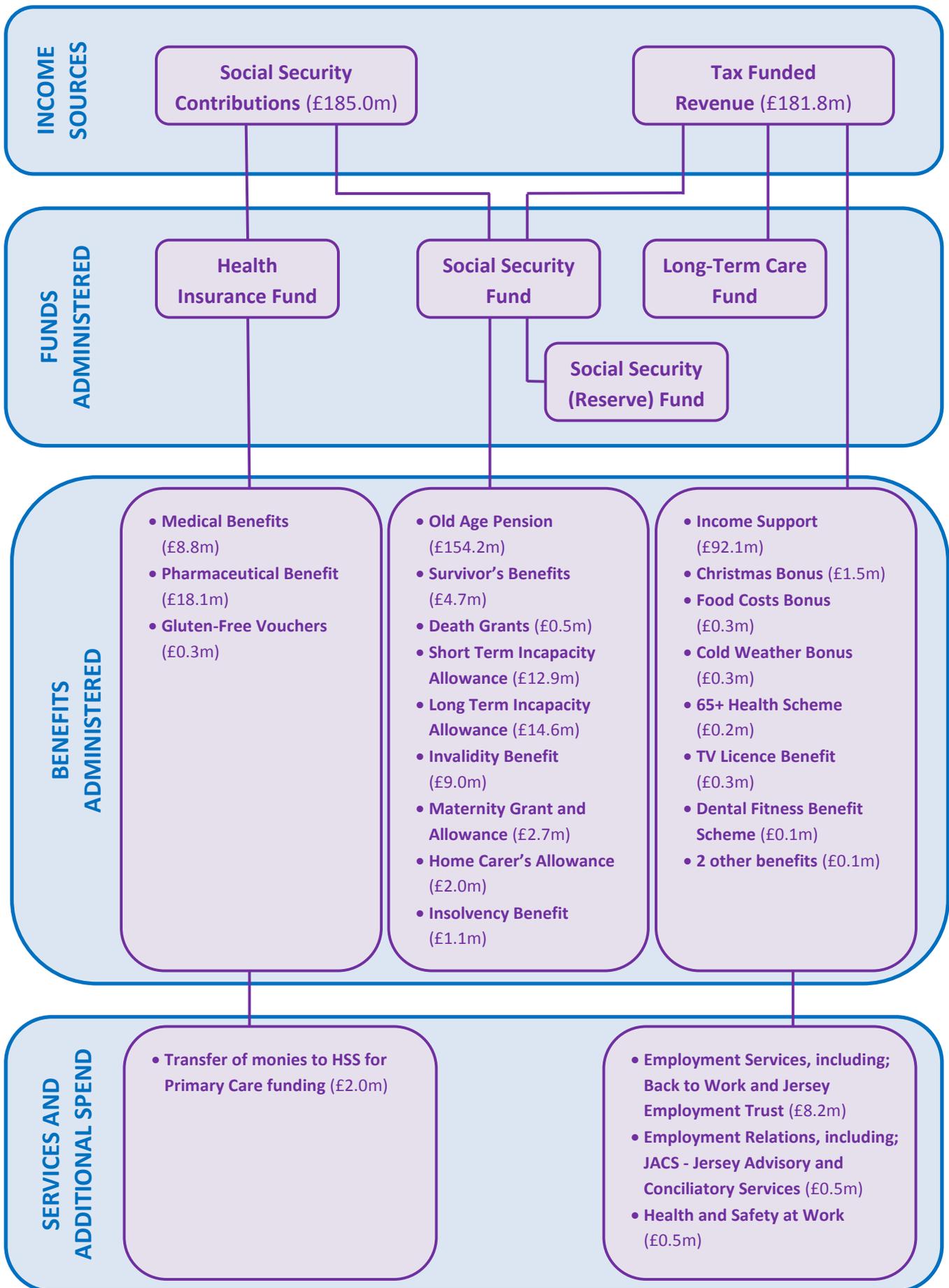


Figure 1: Flow chart demonstrating the Social Security Department income sources, funds, benefits and services 2013, excluding administration and other costs

## Section 2 – Fund Income

The Funds administered by the Social Security Department have three sources of income.

- 1) Contributions collected from working age individuals and their employers
- 2) A grant from the States to assist with the cost of supplementation
- 3) Investment income

### Contributions

Contributions from working age adults are due on earnings up to pre-defined earnings ceilings;

- **A contribution rate of 12.5% is payable on all earnings up to the Standard Earnings Limit (SEL) of £46,008 per year.**  
For Class 1 contributors (employed) the 12.5% liability is split between the employer (6.5%) and the employee (6.0%). Class 2 contributors (self-employed and others not in paid employment) are liable to pay the full 12.5%.
- **Since January 2012 a contribution rate of 2% is payable on earnings between the SEL and the Upper Earning Limit (UEL) of £152,232 per year.**  
Employers and Class 2 individuals are liable to pay the 2% contribution.

In some situations employees are not required to pay their 6% liability, for example people who are in receipt of an Old Age Pension, people receiving Survivor's Allowance (in the first year of bereavement) and some women married before April 2001.

### Income Received from Contributors

Table 3 provides an overview of the contributions received and the number of contributors:

	2009	2010	2011	2012	2013
Total of Class 1 contributions below SEL (£000)	163,206	161,463	161,187	164,253	162,719
Total of Class 1 contributions above SEL (£000)				5,121	5,163
Total of Class 2 contributions below SEL (£000)	17,493	17,659	16,169	15,544	14,971
Total of Class 2 contributions above SEL (£000)				1,974	2,136
Total Value of contributions (£000)	180,699	179,121	177,356	186,893	184,988
Average No of Class 1 contributors during year	48,618	48,275	48,359	47,620	47,091
Average No of Class 2 contributors during year	4,291	4,176	3,877	3,783	3,751
Average Class 1 contribution per annum (£)	3,357	3,345	3,333	3,557	3,565
Average Class 2 contribution per annum (£)	4,077	4,229	4,170	4,631	4,561

**Table 3:** Contributions and contributors, 2009 to 2013

Table 3 and Figure 2 show that both the number of contributors and the monetary value of contributions reduced by 1% in 2013. There was a small increase in contributions above the SEL (£0.2m) but this was offset by reduction in contributions below the SEL (-£2.1m).

Between 2009 and 2013 the value of contributions has risen by 2.4% compared to a 7.5% increase in average earnings over the same period, a real term fall of 4.8%. Without the introduction in 2012 of the extra 2% for earnings between the SEL and the UEL the real term fall in contribution would have been 6.9%

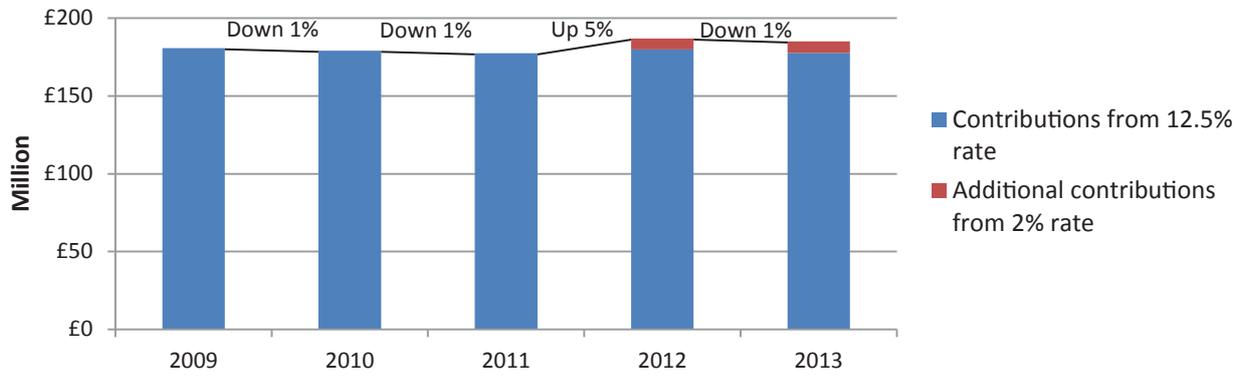


Figure 2: Total contributions and year on year change, 2009 to 2013

### Level of Contributions

In 2013, on average 40% of Class 2 contributors paid above the Standard Earnings Limit each month, with 22% paying at the maximum Upper Earning Limit. By contrast, on average, 21% of Class 1 contributions in 2013 were paid above the Standard Earning Limit, with only 1% paid at the maximum monthly contribution.

Figure 3 shows that proportionately more Class 1 contributors paid at the Standard Earning Limit in March and December, the months typically associated with bonuses.

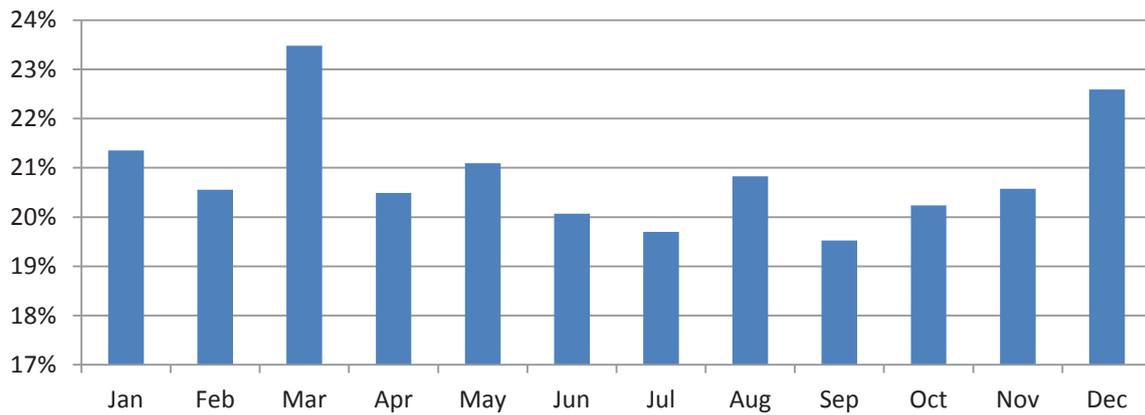


Figure 3: Class 1 contributors at the Standard Earnings Limit by month in 2013

### Number of Contributors

Contributions are recorded monthly and the number of Class 1 contributors shows a variation in line with the seasonal activities within the Jersey economy, with 3.5% more Class 1 contributors in July than February. Across the year there was a monthly average of 47,091, a decline of 529 Class 1 contributors (1.1%) from 2012, with the decline being driven by the first half of 2013.

There has been a steady decline in the number of Class 2 contributors over recent years. Although this decline continued in 2013 the rate of decline slowed, with a 0.8% reduction on 2012, and an average of 3,751 Class 2 contributors over the year.

## Allocation of Contribution Income

Class 1 and Class 2 contributions are allocated to the Health Insurance Fund and the Social Security Fund according to fixed percentages.

Fund	Employer Class 1 (below SEL)	Employer Class 1 (above SEL)	Employee Class 1 (below SEL)	Class 2 (below SEL)	Class 2 (above SEL)
Health Insurance Fund	1.2%		0.8%	2.0%	
Social Security Fund	5.3%	2.0%	5.2%	10.5%	2.0%
<b>Total</b>	<b>6.5%</b>	<b>2.0%</b>	<b>6.0%</b>	<b>12.5%</b>	<b>2.0%</b>

**Table 4:** Percentage allocation of Class 1 and 2 contributions to the Health Insurance Fund and Social Security Fund

## Contribution Credits

In some circumstances contribution credits are available to protect people's contribution record and their entitlement to certain Social Security benefits. As well as protecting records during periods in which a contributory benefit is being claimed, credits are also available to:

- People caring for a child at home (*1,321 people as at 31 December 2013*)
- People over 18 in full-time education (*611 people as at 31 December 2013*)
- People who have been made compulsorily redundant (*59 people as at 31 December 2013*)

The most common source of contribution credits is for those caring for a child at home. This is known as Home Responsibility Protection (HRP) and is available for an adult who is not working in order to look after a child under five years old, with a maximum of 10 years of credits available for any one person.

## States Grant

Class 1 and Class 2 contributors with earnings below the Standard Earning Limit in a given month, but above the Lower Earnings Limit (LEL) of £808 per month, normally receive a supplement to bring their contributions up to the Standard Earning Limit. This "top-up" of contributions protects pensions and benefit entitlement for lower and middle income earners, and is known as supplementation.

The States provides an annual grant to the Social Security Fund. Up to 2010, the value of the States Grant was based on the exact cost of supplementation for the year in question. In 2011 a new method of calculating the value of the States Grant was established. This introduced certainty to the level of States contribution by setting the States Grant for 2011 and basing 2012 and future years on a formula set out in the law.

As part of the Fiscal Strategy Review, the States agreed to introduce a 2% contribution rate for employers and Class 2 contributors between the Standard Earnings Limit and Upper Earnings Limit, with the additional contribution income collected used to reduce the level of the States Grant and cover some of the cost of supplementation. This had led to the value of the States Grant for 2012 and 2013 being at a lower level than previous years due to the extra contributions raised through the introduction of the new 2% rate. This can be seen in Table 5, where the States Grant had previously represented 30-31% of the total income into the Social Security Fund (excluding investment income), whereas since 2012 it only represented 28%. The total value of the States Grant plus contributions above the SEL was £69.5m, compared to the actual cost of supplementation of £69.2m. Small differences in the funding of supplementation will even out over the lifetime of the Social Security Fund.

Year	2009 £000	2010 £000	2011 £000	2012 £000	2013 £000
Cost of supplementation	64,995	66,667	66,072	68,206	69,234
Contributions above SEL	-	-	-	7,095	7,299
States Grant value	64,995	66,667	65,348	61,150	62,200
Total contributions received (Social Security Fund)	151,787	150,462	148,837	157,977	156,415
Combined value of States Grant and contributions	216,782	217,129	214,185	219,127	218,615
States Grant as proportion of total of above	30%	31%	31%	28%	28%

**Table 5:** States Grant in respect of the cost of supplementation, 2009 to 2013

## Social Security (Reserve) Fund Investments

The Social Security (Reserve) Fund is both the mechanism by which contribution rates and Earnings Limits which fund pension and benefit costs of the Social Security Fund are smoothed over time and a buffer to contribute towards the rising burden of pension costs as the island faces up to the pressures of an ageing population.

The investment strategy of the Social Security (Reserve) Fund is developed by the Minister for Treasury and Resources and written in consultation with the Minister of Social Security. The Fund is managed by the Treasury and Resources Department in line with this strategy. One of the main aims for the fund is long term growth. It is expected that there will be no requirement to draw on the assets of the fund in the near future and that during this period there will continue to be net cash inflows to the fund.

To meet its aims the Social Security (Reserve) Fund seeks to earn long-term capital returns by allocating a higher proportion of its assets to a well diversified mix of equities. The published investment strategy of the Social Security (Reserve) Fund is to invest 80% of its portfolio in equity, 10% in bonds and the remaining 10% in alternative asset classes. The proportion of holdings in each asset class may vary within strategic ranges as prices move on a daily basis. As at the year end all holdings were within the fund's strategic range.

### Method of Investment

The investment strategy may be pursued through direct investment or investment through the States of Jersey Common Investment Fund (CIF).

As at the year end, the value of the Social Security (Reserve) Fund's investment holdings was £1,157.7m, with £266.4m invested with Legal and General through unit trusts and the remaining £891.3m invested in the CIF. The breakdown of investments is illustrated below in Figure 4.

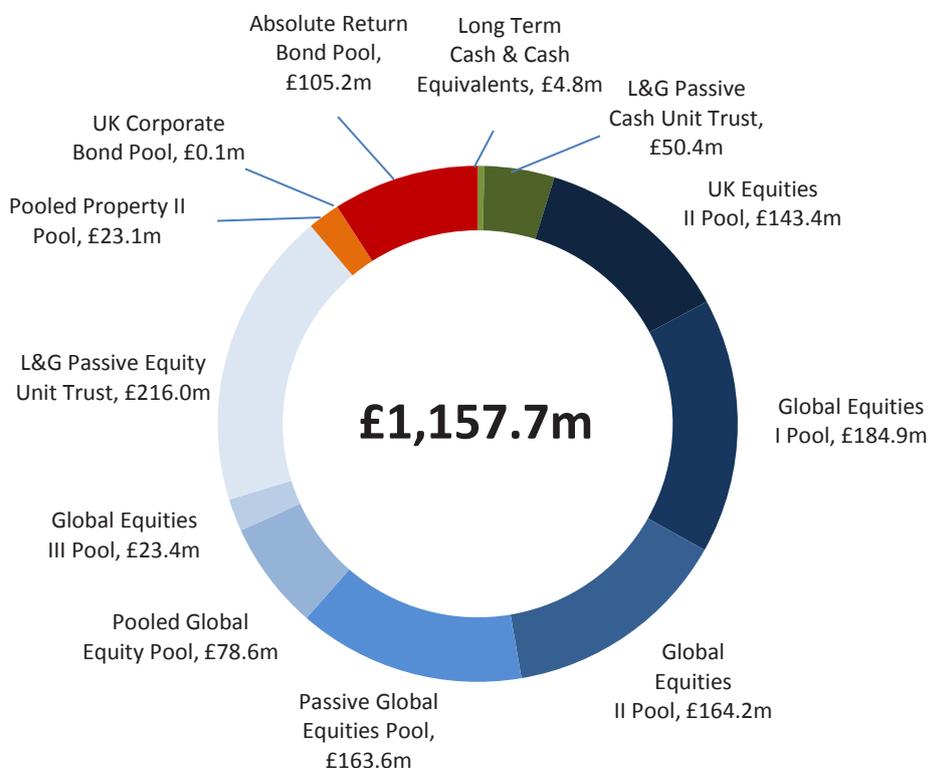
The CIF is an administrative arrangement that allows States funds to pool investments to benefit from greater investment opportunities and economies of scale. Further information is published in the States of Jersey Financial Report and Accounts. The full accounts can be found on the States of Jersey website (<http://www.gov.je/Government/Pages/StatesReports.aspx?ReportID=1066>).

The CIF is arranged into various 'pools', each pool representing an asset class and managed by an independent investment manager. A Fund such as the Social Security (Reserve) Fund is able to invest in individual pools in line with its investment strategy.

### Investment Asset Split within the Social Security (Reserve) Fund

Figure 4 illustrates the split of core assets held by the Social Security (Reserve) Fund as at 31 December 2013. The equity holdings of the fund are split between those managed on an active and passive basis. Active managers attempt to outperform the market with various investing strategies and through buying/selling decisions while passive managers seek to replicate an index performance.

The Social Security Reserve Fund invested in the CIF from 1 October 2010. By 31 December 2013 holdings in the CIF accounted for 77% of the fund's total value. At that date and in line with the investment strategy of the Fund £23.1m of the allocation to alternative assets had been successfully invested in the new Property asset class, with the remaining allocation retained in a balanced portfolio of other asset classes until the full range of alternative asset pools becomes operational.



**Figure 4:** Social Security (Reserve) Fund investment asset holdings as at 31 December 2013

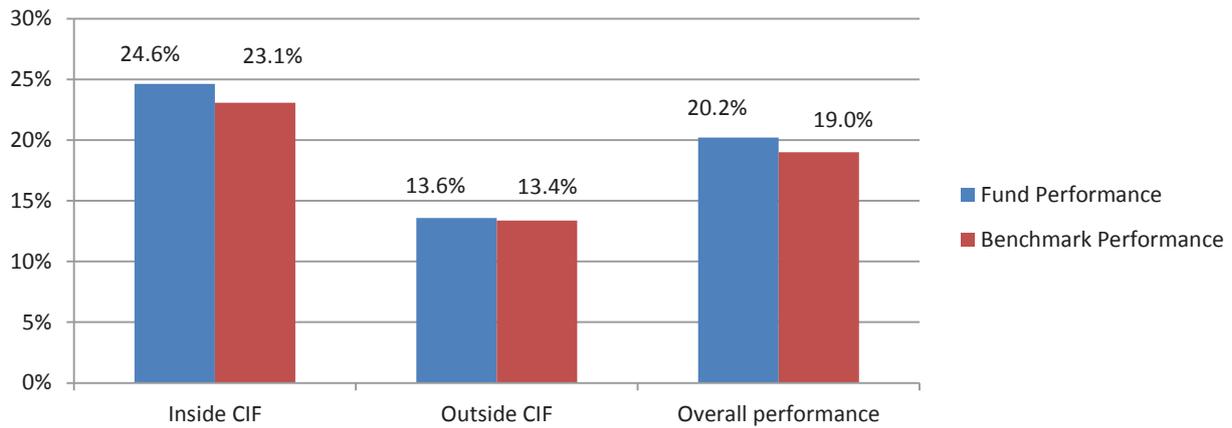
### 2013 Performance

In line with its investment strategy the Social Security (Reserve) Fund holds the majority of its portfolio in equities, a return seeking class of asset. Equities are expected to generate, on average, a higher level of return and grow the value of the fund in real terms although, in the short term, they can exhibit a higher level of volatility due to market fluctuations.

The performance of each investment manager is monitored against a benchmark set in accordance with the market in which that manager is investing. Although performance varies between investment classes and between managers the overall performance of the fund can be assessed against an apportionment of these underlying benchmarks.

During 2013 the fund investments grew from £962.1m to £1,157.7m. £143.9 million of gains were made by the assets held within the CIF and £51.7 million earned by the holdings outside. The overall net return of the Fund was 20.2%; this represented both high returns in the equity markets but also good performance from the active investment managers within the CIF. The managers increased the total return of the fund over benchmark performance by just over 1%. In line with the published Investment Strategy of the Fund, the majority of the Fund's assets are invested in equity. Equity performed well during the year and generated the majority of the Fund's return. The non-equity holdings of the Fund were restructured during the year with all except £50.4 million of cash funds moved into the CIF. Gilt type assets held outside the CIF were replaced with units of the Absolute Return Bond and

Pooled UK Property Pool of the CIF. Both asset classes were established late in the year and made a negative contribution to the overall investment return when restructuring costs were included.



**Figure 5:** Performance of Social Security (Reserve) Fund investments over 2013 compared to benchmark

## Health Insurance Fund Investments

The Health Insurance Fund was established under the Health Insurance (Jersey) Law 1967. The fund receives allocations from Social Security contributions to pay claims for Medical Benefit (GP subsidy) and Pharmaceutical Benefit as defined in the above law.

In order to best meet the fund's aims it follows a balanced investment strategy seeking to provide both capital growth and income generation but maintaining an appropriate degree of security over the fund's capital value. The strategic aim of the fund is to invest 40% of its portfolio value in equities, 45% in bonds and 15% in cash and cash equivalents. The equity portion of the portfolio is considered to be a return seeking asset class. Those assets are mostly actively managed and held to generate long-term returns. The bonds/cash portion of the portfolio is held to provide a degree of capital preservation and income generation and is also actively managed. The proportion of holdings in each asset class may vary within strategic ranges as prices move on a daily basis. As at the year end all holdings were within the fund's strategic range.

### Method of Investment

Although the Health Insurance Fund may pursue its investment strategy via direct investment or investment through the States of Jersey CIF, since mid 2010 its whole investment portfolio has been invested through the CIF.

As at the year end, the value of the Health Insurance Fund holdings within the CIF was £78.7m. The breakdown of investments is illustrated in the chart in the following section.

### Investment Asset Split in the Health Insurance Fund

Figure 6 illustrates the split of core assets held by the Health Insurance Fund as at 31 December 2013.

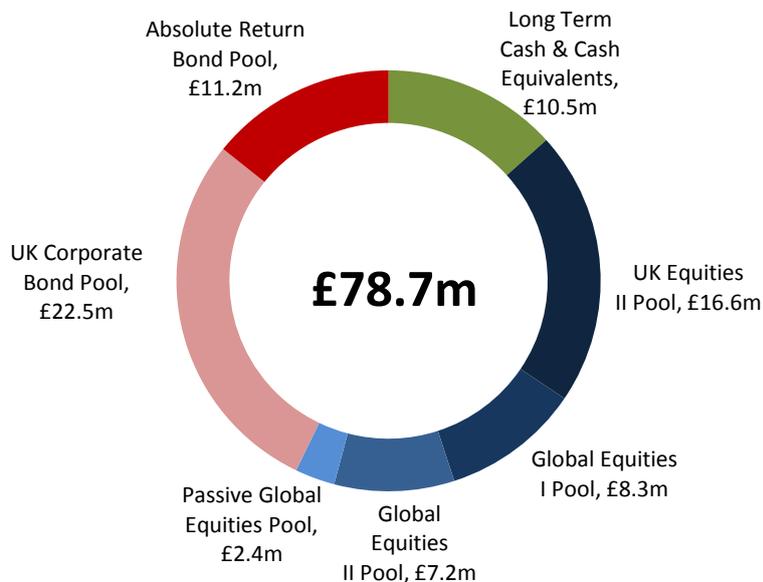


Figure 6: Health Insurance Fund investment asset holdings as at 31 December 2013

### 2013 Performance

The Health Insurance Fund holds a balanced portfolio, with diversification across three key asset classes. Equities are expected to generate, on average, a higher level of return and grow the value of the Fund in real terms though in the short term they can exhibit a higher level of volatility due to market fluctuations. Cash is expected to generate a low return but acts to preserve the capital value of the fund, reduce the portfolio's overall volatility and provide the fund with any required liquidity. Corporate bonds are expected to generate a higher level of return than the cash holdings but at a lower level of volatility than the equity investments.

2013 saw gains of £8.7 million earned on the overall portfolio, a net gain of 12.4%, up from £8.4 million over 2012. The return of the Fund represented both high returns in the markets but also good investment manager performance with net returns exceeding the pool's overall benchmark by just over 2%. Performance was not evenly spread between asset classes with the majority of investment gains attributable to equity type assets. Equity type assets generated £7.8 million of the Fund's total gain with corporate bonds earning a return of just under £0.8 million. Earnings of the cash investments remained low reflecting the continuing low interest rate environment. The bond holdings of the HIF were restructured during the year with units in the underperforming Long Term and Short Term Corporate Bond Pool replaced with units in the new Absolute Return Bond and UK Corporate Bond Pool. The new classes were established late in the year and made a negative contribution to the overall investment return when restructuring costs are included.

The performance of the Fund has been detailed below relative to the combined benchmark. The net performance of the fund is in excess of benchmark both in the current year and since investment in the CIF.

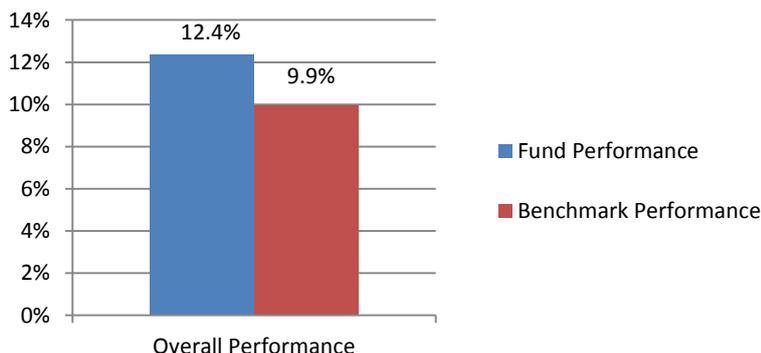


Figure 7: Performance of Health Insurance Fund investments over 2013 compared to benchmark

## Section 3 – Social Security Fund Benefits (SSF)

The Social Security Fund pays for benefits to contributors who have made the required contributions and satisfy other specific conditions. Benefits mainly support claimants at times when they are less likely to be able to support themselves through employment, including maternity, sickness and old age. The amounts paid across the full range of benefits available through the Social Security Fund in 2013 are as follows:

Social Security Fund Benefit	2012 £000	2013 £000
Old Age Pensions	146,139	154,229
Short term incapacity allowance	13,650	12,938
Long term incapacity allowance	13,416	14,567
Invalidity benefit	10,043	9,016
Survivor's Benefits	4,780	4,676
Maternity Benefits	2,946	2,748
Home Carer's Allowance	0	1,968
Insolvency Benefit	0	1,053
Death grant	482	483
<b>Total benefit expenditure</b>	<b>191,456</b>	<b>201,678</b>

**Table 6:** Social Security Fund benefit expenditure 2012 and 2013

### SSF – Old Age Pensions (OAP)

Old age pensions can be claimed by anyone over pension age who has worked in Jersey and has paid Social Security contributions for at least 4½ years<sup>1</sup>. Pensions can be claimed by anyone who meets the contribution criteria, including people who have since left Jersey.

The value of the pension depends on the number of years of contributions with the maximum, full rate of pension being paid to those with a contribution record of 45 years or more.

Historically the old age pension was increased once a year in line with the growth in average earnings. In the past earnings have increased at a greater rate than inflation and thus the value of the old age pension grew in real terms. More recently however, and on four occasions in the past five years, inflation has exceeded the increase in earnings and thereby the value of pensions has decreased in real terms. In 2013 a new uprating method was introduced to safeguard the value of the pension. This new methodology increases the state old age pension with reference to both inflation, measured through the Retail Prices Index for Pensioners, and average earnings, measured by the Index of Average Earnings. The new method of uprating pensions ensures that pensions increase at least in line with inflation; at the same time, in the longer term increases will track the growth of average earnings.

In May 2013 the new uprate methodology was applied retrospectively to the 2012 uprate. The standard rate of pension was increased from £187.25 to £189.84 with effect from 9<sup>th</sup> May and a lump sum payment was made in respect of the previous months.

In October 2013 the normal annual uprate was applied using the new methodology, with the standard rate of pension increasing by 1.9% from £189.84 to £193.48 per week. For couples married before April 2001 a married pension is available based on the contribution record of the husband and the full pension is paid at 166% of the single rate (£321.23 for 100% pension).

<sup>1</sup> A pro-rata pension is also payable where there is an aggregate of 4½ years in the case of nationals of countries with whom Jersey has a reciprocal agreement.

The new methodology in uprating only applies to old age pensions. All other benefits within Social Security legislation that refer to the standard rate benefit will continue to be uprated by the index of average earnings.

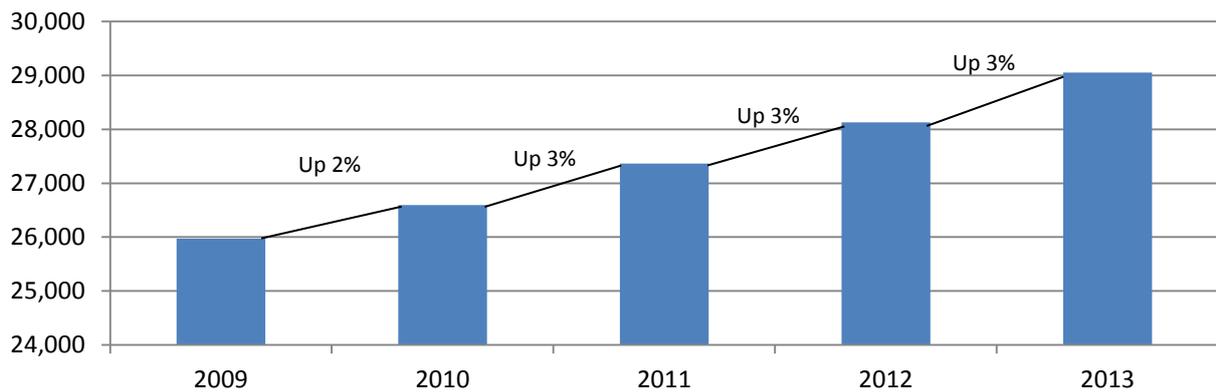
The current pension age is 65, with an option to take a reduced rate pension up to two years early. At present some women continue to have a pension age of 60, if they were registered for Social Security purposes before 1975. In 2011 the States agreed to increase the pension age in Jersey from 2020, with the pension age rising by two months per year, increasing the age from 65 to 67 by 2031.

Just over three-quarters (£154.2 million) of Social Security benefit expenditure is in respect of old age pensions. This cost is growing year on year as the number of pensioners increases. At the end of 2013 there were 29,052 pensions in payment. There has been a 12% increase in the number of pensions paid between 2009 and 2013 and an 9% increase in the rate of the pension leading to an overall increase of 22% in the total cost of pensions over this time.

Year	2009	2010	2011	2012	2013
No of Old Age Pensions in payment at year end	25,973	26,594	27,367	28,130	29,052
Value of Old Age Pensions Paid £000's	126,390	132,760	137,956	145,616	154,229
Weekly full (100%) Old Age Pension rate at year end £	£178.01	£179.97	£184.45	£187.25	£193.48

**Table 7:** Pension comparisons, 2009 to 2013

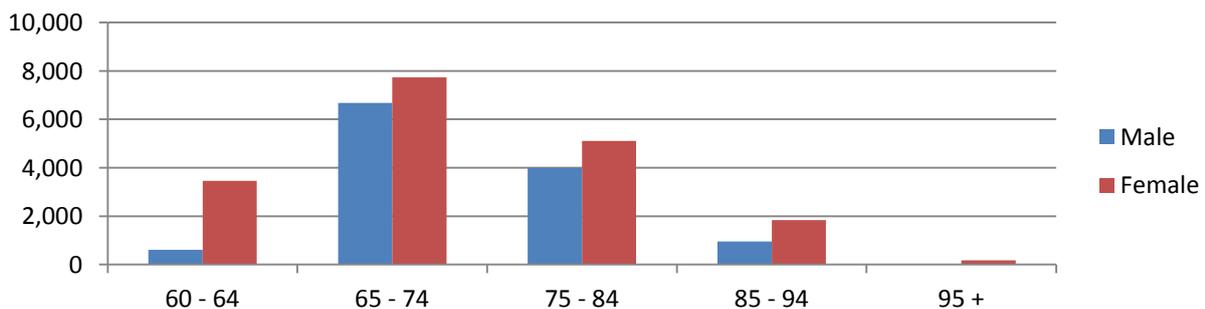
The number of pensions in payment rose by over 3% (922) during 2013, which is a similar rate to the previous years. This gradual increase is shown in Figure 8.



**Figure 8:** Number of Old Age Pensions in payment at year end, 2009 to 2013

## Demographics of Old Age Pensioners

The female to male ratio slowly increases with age, reflecting the fact that, on average, women live longer than men. Of the 211 pensioners aged 95 or over, 177 (84%) are female.

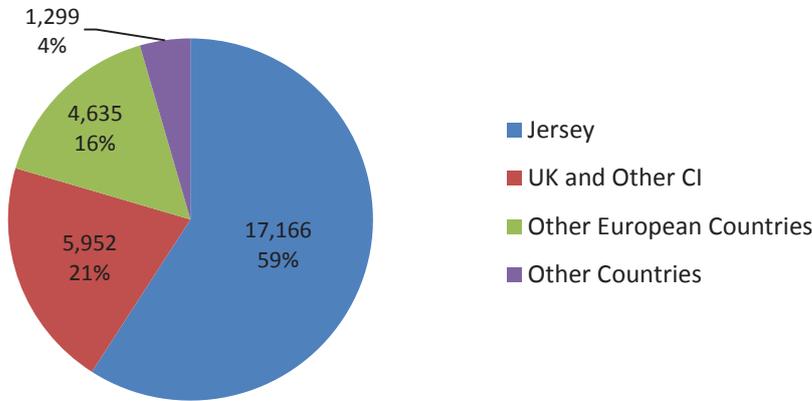


**Figure 9:** Number of pensioners by age bracket as at 31 December 2013

## Old Age Pension Payments

At the end of 2013 there were 17,166 people receiving their pensions in Jersey, and 11,886 receiving their pensions outside Jersey.

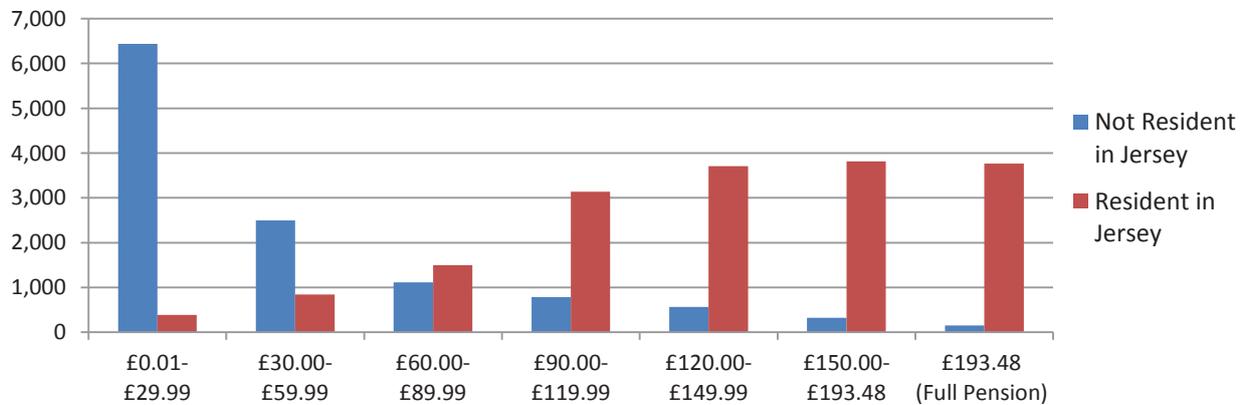
Of the 11,886 pensions paid outside Jersey, 5,952 are paid in the UK and other Channel Islands, 4,635 are paid in rest of Europe and 1,299 paid across the rest of the world.



**Figure 10:** Distribution of where pensions are paid as at 31 December 2013

The pensioners living in Jersey have typically paid more Social Security contributions having lived and worked for more years in Jersey, and therefore receive a larger pension. The lower levels of pensions paid abroad reflect Jersey’s history of high levels of migrant labour where non Jersey born nationals have worked in Jersey for a relatively short period before leaving the island.

86% of Jersey residents receive a pension of over 50% of the full pension compared to only 16% of non Jersey residents.



**Figure 11:** Distribution of weekly pension rate, Jersey resident and non-resident, as at 31 December 2013

The higher average rate of pensions paid to residents in Jersey means that, although 41% of all pensioners are not resident in Jersey, they only received 18% (£28 million) of the total value of pension payments.

Resident	Pension Value £000	Pension Value %	No. of Pensions as at 31 December 2013	% of Pensions
Jersey	126,481	82%	17,166	59%
UK and other CI	14,029	9%	5,952	20%
Rest of world	13,719	9%	5,934	20%
<b>Total</b>	<b>154,229</b>		<b>29,052</b>	

**Table 8:** Total value and number of pensions

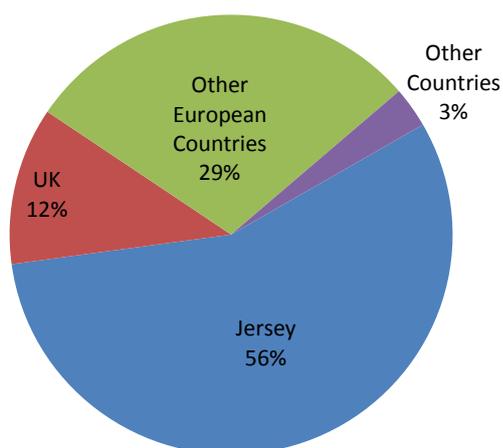
## SSF – Survivor’s Benefits and Death Grants

Two types of survivor’s benefits are paid; Survivor’s Allowance and Survivor’s Pension. These benefits are paid on a percentage basis to survivors based on the contribution record of their deceased spouse or civil partner and are mainly paid to survivors while they are of working age. Survivor’s Allowance is paid to a survivor for the first 52 weeks following bereavement and is paid at 20% above the standard rate of benefit. After the first 52 weeks, Survivor’s Allowance is replaced by Survivor’s Pension which is paid at the standard rate of benefit. Survivor’s benefits are not paid if the survivor remarries, co-habits or enters another civil partnership and ceases when the survivor reaches pension age. As of 1<sup>st</sup> January 2013 the eligibility for Survivor’s Pension changed and the benefit is now only payable to people with dependent children. People already in receipt of Survivor’s Pension or Allowance and people born before 1 January 1957 are not affected by this change.

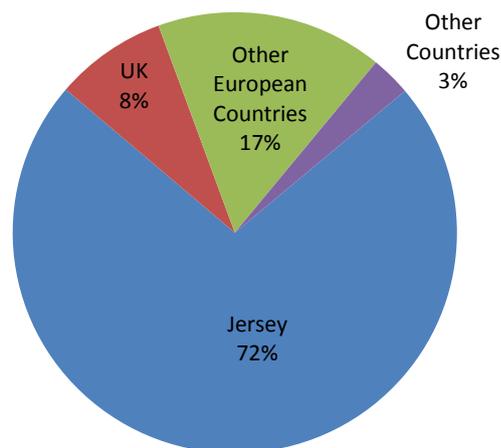
Type of Benefit	No. of Claimants	Average Weekly Claim Rate £
Survivor’s Allowance	89	153.74
Survivor’s Pension	817	99.42
<b>Total</b>	<b>906</b>	<b>104.76</b>

**Table 9:** Number of claimants of survivor’s benefits and average weekly claim rates as at 31 December 2013

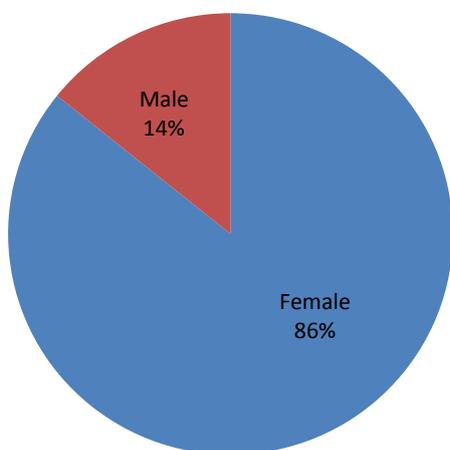
Survivor’s benefits are paid worldwide. Although 56% of the total number of survivor’s benefits are paid in Jersey, 72% of the total value of survivor’s benefit is paid in Jersey, as shown in Figures 12 and 14. The majority of survivor’s benefits are paid to women (86%), as shown in Figure 13.



**Figure 12:** Survivor’s benefits claimant numbers by location in payment as at 31 December 2013



**Figure 14:** Survivor’s benefit value by location in 2013



**Figure 13:** Survivor’s benefits by gender in payment as at 31 December 2013

A contributory Death Grant is available in respect of most deaths in Jersey. The value of the grant increased from £749.00 to £765.52 in October 2013. Grants are also paid in respect of individuals living outside Jersey at the time of their death, if they were receiving a full-rate benefit, such as a 100% old age pension rate, immediately prior to the date of death or their departure from Jersey was less than six months prior to the date of death.

In the small number of cases where a Death Grant is not payable under the contributory system, a non-contributory grant can be provided using a tax funded budget.

	2009	2010	2011	2012	2013
Total Value of Death Grants £000	477	511	472	482	483
Individual Death Grant Value as at 31 December £	712.04	719.88	737.88	749.00	765.52

**Table 10:** Total value of Death Grants paid and value of an individual Death Grant, 2009 to 2013

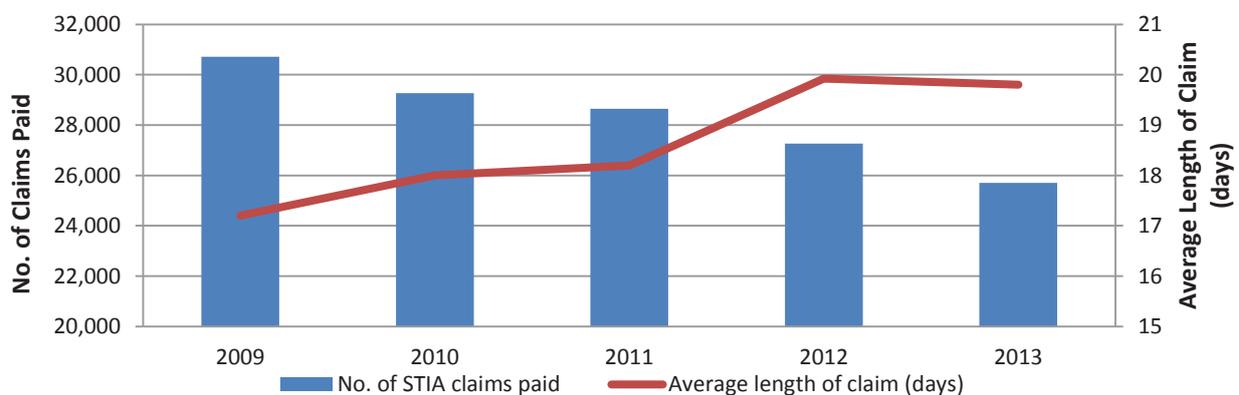
## SSF – Short Term Incapacity Allowance (STIA)

Short Term Incapacity Allowance (STIA) is usually authorised by GPs and paid to working age claimants who satisfy the necessary contribution conditions for periods of incapacity lasting between 2 and 364 days<sup>2</sup>. Most STIA claims are paid at the standard rate of benefit. This was £187.25 per week at the beginning of 2013, rising to £191.38 a week from 1 October 2013.

	2009	2010	2011	2012	2013
Cost of STIA Claims £000	12,553	12,736	12,692	13,650	12,938
No. of STIA Claims Paid	30,711	29,269	28,652	27,260	25,703
No. of Days Paid	527,782	527,563	520,157	543,149	509,714
Average Length of Claim	17.2	18.0	18.2	19.9	19.8

**Table 11:** Annual STIA claims paid, 2009 to 2013

Table 11 details the number of claims paid and the total number of days covered by STIA claims over the past five years. Figure 15 shows the trends in the total number of STIA claims and the average (mean) length of claim. It highlights that while there has been a gradual decline in the number of STIA claims since 2009 of approximately 5% per year, there has been an increase in the length of claim over the same period.



**Figure 15:** Annual number and average length (in days) of STIA claims, 2009 to 2013

<sup>2</sup> Benefit is paid for all seven days in a week, and not just for working days.

STIA covers a wide range of short-term illnesses and injuries. 27% of all claims during the year related to infectious illnesses, an increase from 24% in 2012. These claims lasted an average of 7.6 days. By contrast, depression, stress and anxiety accounted for 9% of the claims but 20% of the number of days, with an average duration of over six weeks per claim. Table 12 details some of the most common reasons for STIA claims in 2013:

2013 STIA Reason for Claim	% of all 2013 Claims Paid	No. Of Claims Paid	No. Of Days Paid	Average Claim Length (Days)
Infections	27%	6,952	53,083	7.6
Hospital treatment	15%	3,809	96,251	25.3
Back/neck pain/injury	10%	2,545	50,464	19.8
Depression, stress and anxiety	9%	2,337	102,330	43.8

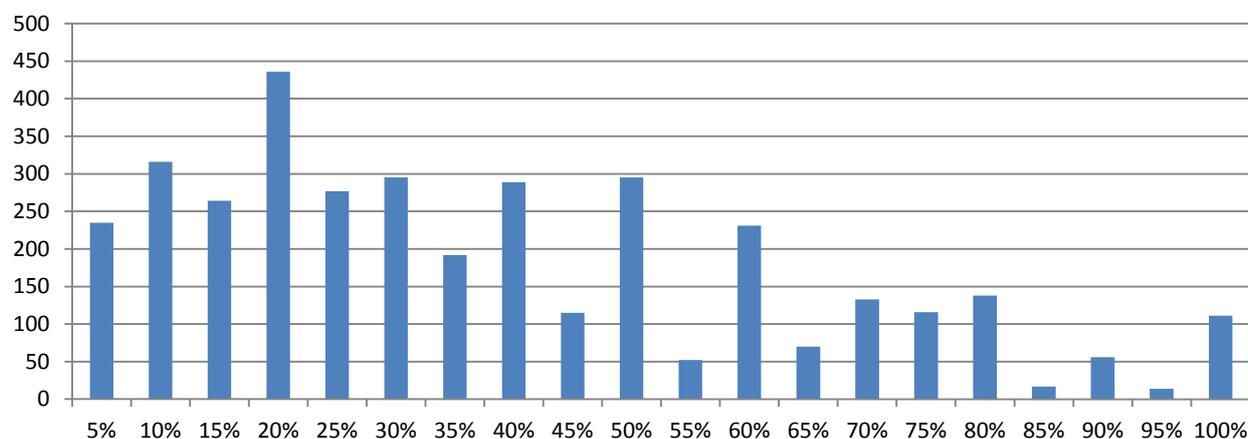
**Table 12:** Most common reasons for claiming STIA in 2013

Some individuals have a long term health condition that lasts for more than a year. These claimants can apply for Long Term Incapacity Allowance (LTIA). Whereas STIA can only be paid if an individual is not working (on the day the benefit is claimed), LTIA claimants can return to work or stay in work and continue to claim the benefit.

## SSF – Long Term Incapacity Allowance (LTIA) and Invalidity Benefit (INV)

These benefits are paid to working age people who satisfy the necessary contribution conditions and who have a long term loss of faculty<sup>3</sup>. The amount of benefit for LTIA is determined on a percentage basis. The maximum value of the benefit (100%) is set at the standard rate of benefit. In October 2013 the rate rose from £187.25 per week to £191.38 per week.

A minority of claimants will be assessed at 100% for a major loss of faculty. Most claimants are assessed at a lower percentage, in 5% bands. Figure 16 illustrates that awards of 20% are the most common. Awards of up to 15% are paid as lump sum payments.



**Figure 16:** Number of LTIA claims in payment by rate % as at 31 December 2013

The average percentage rate of assessment for LTIA claims in payment in 2013 is 37% and this percentage has remained more or less constant over the last five years.

As with STIA, LTIA covers a wide range of illnesses and injuries. Depression is by far the most common condition, accounting for 17% of all claims. Back pain and back injuries combined accounted for 13% of all claims. Table 13 identifies the most common conditions in 2013.

<sup>3</sup> The extent of incapacity is assessed by reference to the loss of faculty arising from a disease or injury

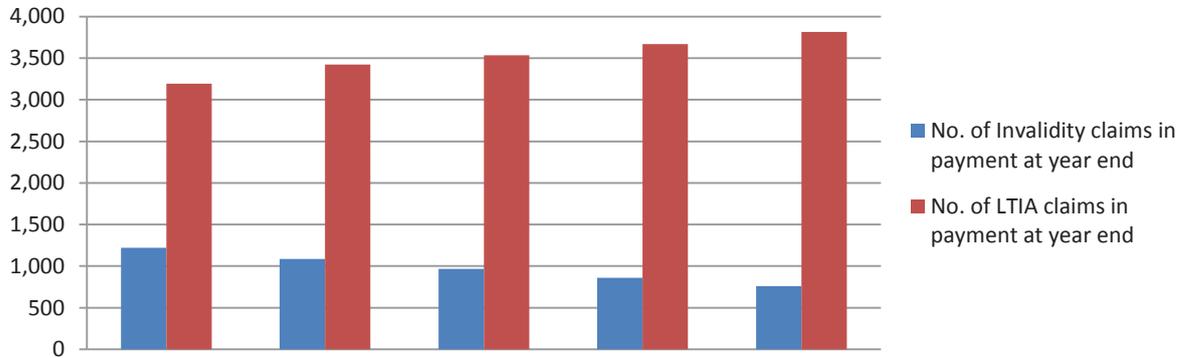
LTIA Condition	No. of claims	% of all claims	Average % Degree of Incapacity
Depression	605	17%	39%
Pain - Back	314	9%	30%
Accident/Injury (Other)	151	4%	36%
Injury - Back	133	4%	34%
Anxiety	122	3%	38%
Stress	108	3%	37%
Carcinoma	95	3%	55%

**Table 13:** Most common LTIA conditions at 31 December 2013

LTIA was introduced in October 2004 to replace Invalidation Benefit and Disablement Benefit. Invalidation Benefit was payable as a result of a permanent illness and designed as 'income replacement', and did not allow claimants to undertake work whilst claiming. Disablement Benefit was payable as a compensation for a permanent disability as a result of an accident, and allowed claimants to undertake work whilst claiming.

The LTIA benefit compensates people for their loss of faculty, regardless of whether it is as a result of an illness or injury. It is assessed as a percentage of the standard rate of benefit based on their loss of faculty and is an in work benefit. LTIA allows people to gradually return to work, or work when able to do so, whilst still receiving a benefit which provides some financial support.

Figure 17 shows an ongoing decrease in the number of Invalidation Benefit claims as all new claimants now receive LTIA. Combined, the number of people receiving LTIA and Invalidation Benefit has been relatively stable over recent years with a 3.6% increase over the four year period 2009 to 2013.



	2009	2010	2011	2012	2013
Invalidity claims	1,219	1,086	967	859	759
LTIA claims	3,195	3,422	3,533	3,670	3,815
<b>Total claims</b>	<b>4,414</b>	<b>4,508</b>	<b>4,500</b>	<b>4,529</b>	<b>4,574</b>

**Figure 17:** Number of Invalidation and LTIA claims at 31 December, 2009 to 2013

## SSF – Maternity and Adoption Benefits

A Maternity Grant (or Adoptive Parent Grant) is paid to help with the initial general costs of having a baby. The Grant is available as a lump sum to either the father or mother who satisfies the contribution conditions. The value in 2013 was £561.75, rising to £574.14 from 1 October 2013. Multiple grants are provided in the case of multiple births. The great majority of parents having a baby in 2013 received a Maternity Grant from the Department. 1,017 births were recorded in 2013 with 970 maternity grants being paid by the Department in 2013. The following Figure shows the nationality of those in receipt of Maternity Grants in 2013:

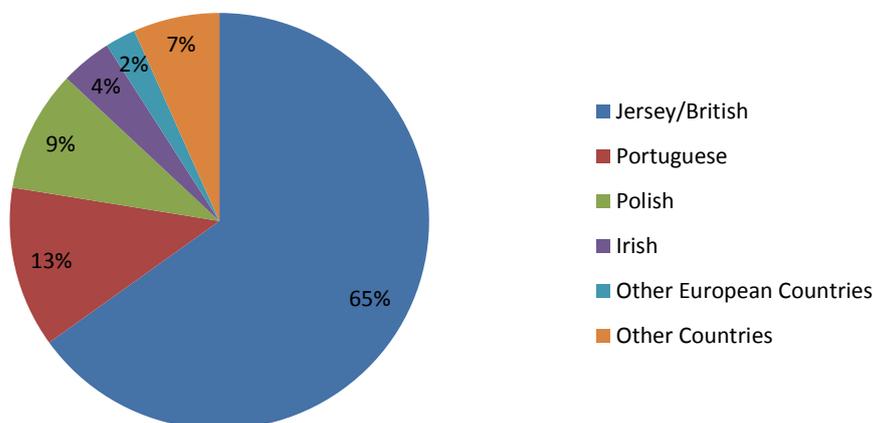


Figure 18: Maternity grants by nationality

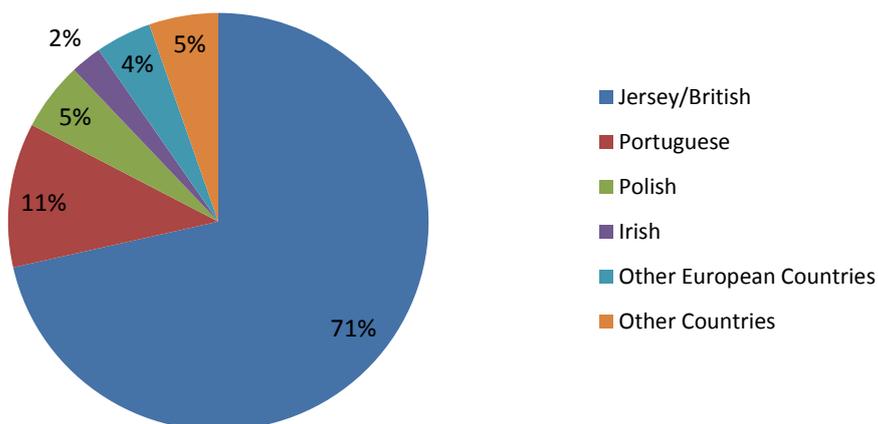


Figure 19: Nationality of working age (16-64) population registered with the Social Security Department

Just under two-thirds of parents receiving Maternity Grants have British nationality, with the remainder reflecting the nationalities of the local workforce. The average age of a woman in receipt of Maternity Benefit in 2013 was 32. Grants were paid in respect of 10 cases of twins born in 2013.

A weekly Maternity Allowance can also be payable to the mother. This can be paid for up to 18 weeks, at the same rate as STIA, but based on only the mother's contribution record before she became pregnant.

Indicator	2009	2010	2011	2012	2013
No. of Maternity Allowance claims starting in the year	869	940	944	982	894
No. of Maternity Grant claims paid in the year	968	1,014	1,056	1,011	970
No of Births Recorded	1,169	1,194	1,102	1,123	1,017

Table 14: Maternity indicators, 2009 to 2013

## SSF – Home Carer’s Allowance (HCA)

At the beginning of 2013, the Home Carer’s Allowance replaced the Invalid Care Allowance tax funded benefit. The new benefit is similar to the old Invalid Care Allowance, and is in place to help people who give up employment to take on a caring commitment for a person who needs a high level of personal care.

To qualify for Home Carer’s Allowance claimants should be of working age, spend at least 35 hours each week caring and have earnings of no more than £139.85 per week. These requirements were also in place for the old benefit.

In the past people with an annual household income of £62,382 (2012 cap) or over could not claim Invalid Care Allowance. Now the household income cap has been removed. There is, however, a requirement for the carer to have a Social Security contribution record. The new benefit also requires that the “cared for” person has lived in Jersey for at least one year.

In 2013 there were 198 claimants, of which the majority were female, at a total cost of just under £2.0 million.

Gender	Claimants	Average age
Female	154	50
Male	44	54
<b>Total</b>	<b>198</b>	<b>51</b>

**Table 15:** Number of Home Carer’s Allowance claimants as at 31/12/2013 by gender

## SSF – Insolvency Benefit

Insolvency Benefit was introduced on 1 December 2012 and provides financial assistance to employees who are made redundant due to the insolvency of their employer. This benefit replaced the temporary, tax funded, insolvency scheme originally introduced in 2009. The amount of benefit is calculated based on amounts owed to employees by the former employer in respect of the following four components:

1. Unpaid wages relating to the 12 months prior to employment ending
2. Holiday pay relating to the 12 months prior to employment ending
3. Statutory redundancy pay (one week’s capped pay for each year of service, subject to a minimum of two years’ service)
4. Pay in lieu of notice on termination of employment (up to 12 weeks’ pay)

The maximum amount of Insolvency Benefit is capped at £10,000. In addition, the Social Security Fund will meet the liability for Social Security contributions and income tax (ITIS) on any Insolvency Benefit that a person is entitled to.

During 2013, there was a total expenditure of £1,052,585 related to 225 claims.

## Section 4 – Health Insurance Fund Benefits (HIF)

The Health Insurance Fund provides benefits to local residents in respect of specific primary care costs. The full range of benefits and the cost of these benefits for 2013 are as follows:

<b>Health Insurance Fund</b>	<b>2012</b> <b>£000</b>	<b>2013</b> <b>£000</b>
Medical Benefit – GP consultations	7,226	7,211
Medical Benefit – GP letters of referral	1,000	747
Medical Benefit – pathology benefit	866	878
Pharmaceutical Benefit - drug costs	11,742	11,901
Pharmaceutical Benefit - dispensing fees	5,656	6,220
Gluten-free Vouchers	222	256
<b>Total benefit expenditure</b>	<b>26,712</b>	<b>27,213</b>

**Table 16:** Health Insurance Fund benefit expenditure for 2012 and 2013

	<b>£000</b>	<b>£000</b>
<b>Primary Care Funding</b>	<b>6,131</b>	<b>2,000</b>

In 2013 there was a £2,000,000 transfer from the Health Insurance Fund to Health and Social Services to fund primary care services provided by that Department.

### HIF – Medical Benefits (GP Consultations and Letters of Referral)

A standard benefit is paid in respect of each GP consultation covered by the Health Insurance Fund. Throughout 2013 the value of the benefit was set at £20.28. Additionally a separate benefit, paid at the same rate, is available in respect of the cost of a letter of referral written by a GP to a hospital consultant or other specialist.

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
No of GP consultations	379,377	355,094	363,089	363,601	351,099
Cost of Medical Benefits for GP consultations £000	5,739	6,222	6,885	7,226	7,211
No of Letters of Referral	43,933	43,996	48,684	51,206	37,198
Cost of Medical Benefits for letters of referral £000	652	757	907	1,000	747
Value of Medical Benefit as at 31 December £	15.00	19.00 <sup>4</sup>	19.59	20.28	20.28

**Table 17:** Volumes and costs of GP visits and consultations, 2009 to 2013

Whilst the number of GP consultations has remained quite consistent over the past five years the cost of the associated Medical Benefit has risen in line with the agreed increases in the value of Medical Benefit. This has resulted in a 26% increase in cost between 2009 and 2013.

<sup>4</sup> The increase in the value of the Medical Benefit in 2010 was agreed as part of a comprehensive project to improve the governance of local GPs in line with the requirements of the UK General Medical Council.

## HIF – Pathology Laboratory Benefit

In January 2010 the Health and Social Services Department introduced a charge for analysing blood samples provided by GPs. A new benefit was set up within the Social Security Department, funded through the Health Insurance Fund, to ensure that this cost was not passed on to the patient. The benefit covers blood samples taken for haematology testing and for clinical chemistry testing and was introduced at a standard rate of £10 before being increased to £10.35 in June 2012.

	2010	2011	2012	2013
No. of Pathology Laboratory benefit claims paid during year	73,872	80,075	84,562	88,763
Cost of Pathology Laboratory benefit claims paid during year £000	720	766	866	878
Value of Pathology Laboratory benefit on 31 December £	10.00	10.00	10.35	10.35

**Table 18:** Number and cost of Pathology Laboratory benefit claims

## HIF – Pharmaceutical Benefit

Pharmaceutical benefit covers the full cost of prescription drugs prescribed by GPs and includes a dispensing fee paid to community pharmacists, in respect of each item dispensed. The Minister for Social Security is responsible for maintaining the list of drugs that are available on prescription from GPs.

	2009	2010	2011	2012	2013
Total No. of items prescribed during year	1,590,227	1,651,355	1,707,644	1,784,798	1,846,713
Average cost of a prescribed item £	7.35	7.00	6.82	6.58	6.44
Total cost of prescribed items £000	11,682	11,566	11,640	11,742	11,901
Pharmacy dispensing fees £000	4,803	5,137	5,362	5,656	6,220
<b>Total Cost £000</b>	<b>16,485</b>	<b>16,703</b>	<b>17,002</b>	<b>17,398</b>	<b>18,120</b>

**Table 19:** Costs of Pharmaceutical Benefit, 2009 to 2013

In 2013 there were over 1.8 million prescriptions dispensed with a total drug cost of £11.9 million.

Since 2009 there has been a 16% increase in the number of items prescribed. This has contributed to a 30% increase in the cost of dispensing the drugs paid to Community Pharmacists, however over this period the average cost of each item dispensed has fallen which has held down the increase in the total cost of these items.

The long-term growth in numbers of prescriptions and related costs, including dispensing fees, represents the greatest challenge to the future financial sustainability of the Health Insurance Fund and will be addressed by a review during 2015, coordinated with the wider development of a primary care strategy.

Figure 20 highlights the 16% increase in number of items prescribed:

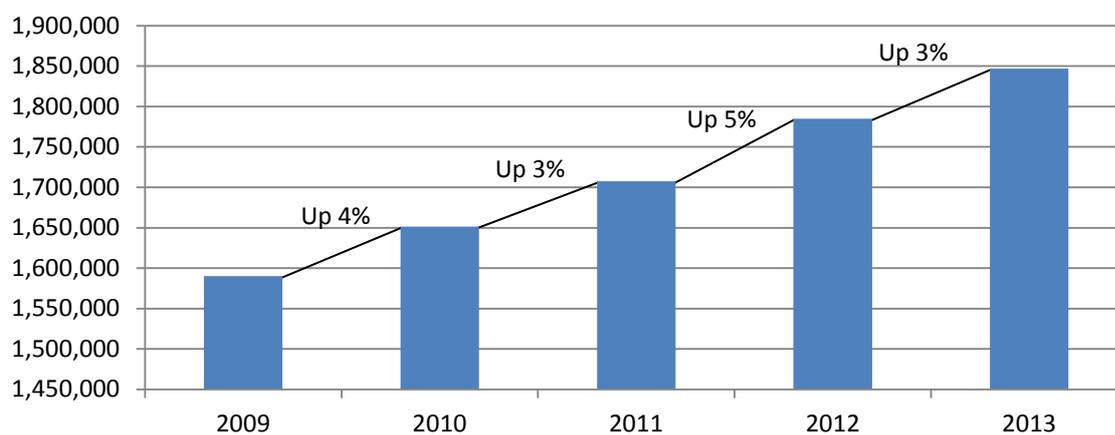


Figure 20: Annual pharmaceutical items prescribed, 2009 to 2013

## Types of Drugs Prescribed

Figure 21 shows that the most commonly prescribed medicines in 2013 were those relating to heart disease. This group of medicines covers a wide range of disease areas, including cholesterol lowering medicines, treatments for high blood pressure, and anticoagulants that thin the blood. Increasing use of such medicines reflects our ageing population and a greater emphasis, through the development of evidence based guidelines, on the use of medicines to prevent heart disease.

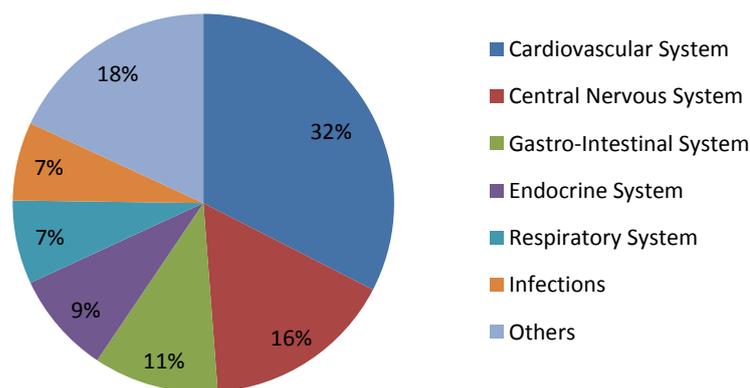


Figure 21: Volume of items prescribed by medicine category in 2013

The total number of items dispensed increased by 3% on the previous year. Similar increases were seen across the top 4 most prescribed drug types. It is encouraging to see a fall in the number of antibiotics dispensed in line with local and national recommendations.

Drug type	Number of items prescribed	Change from 2012
Drugs to treat high blood pressure and heart failure (ACE inhibitors)	150,085	+2%
Statins and other drugs to reduce cholesterol	143,971	+4%
Acid reducing medicines to treat stomach ulcers and acid reflux	128,692	+5%
Pain killers	101,936	+5%
Antibiotics	100,117	-3%

Table 20: Top 5 drug type by number of items prescribed in 2013

In contrast, Figure 22 highlights that medicines which act on the nervous system now account for the largest proportion of medicine costs, overtaking medicines for heart disease that were the highest cost group in 2012. The nervous system group of medicines is a diverse group covering medicines for depression, epilepsy, Parkinson’s disease, and dementia, as well as painkillers. This group has seen a large growth in costs due to increased prescribing of antidepressants, treatments for dementia and, in particular, increased use of Pregabalin to treat nerve pain.

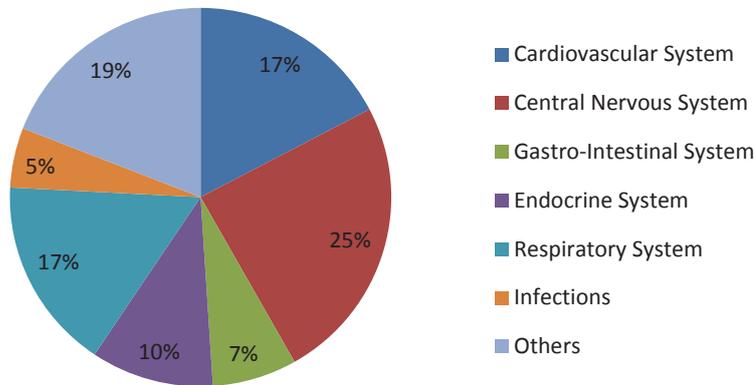


Figure 22: Cost of items prescribed by medicine category in 2013

### HIF – Gluten-free Scheme

Individuals who require a gluten-free diet can receive vouchers towards the cost of purchasing gluten-free products. The current value of the vouchers is £14 per beneficiary per week.

	2009	2010	2011	2012	2013
Number of gluten-free claimants	266	281	311	373	423
Cost of Gluten-free Vouchers £	154,322	179,723	185,212	221,831	256,615
Average cost per claimant £	580	640	596	595	607

Table 21: Gluten-free claimants and costs, 2009 to 2013, as at 31 December

There has been a steady increase in both the number of beneficiaries and the cost of the vouchers.

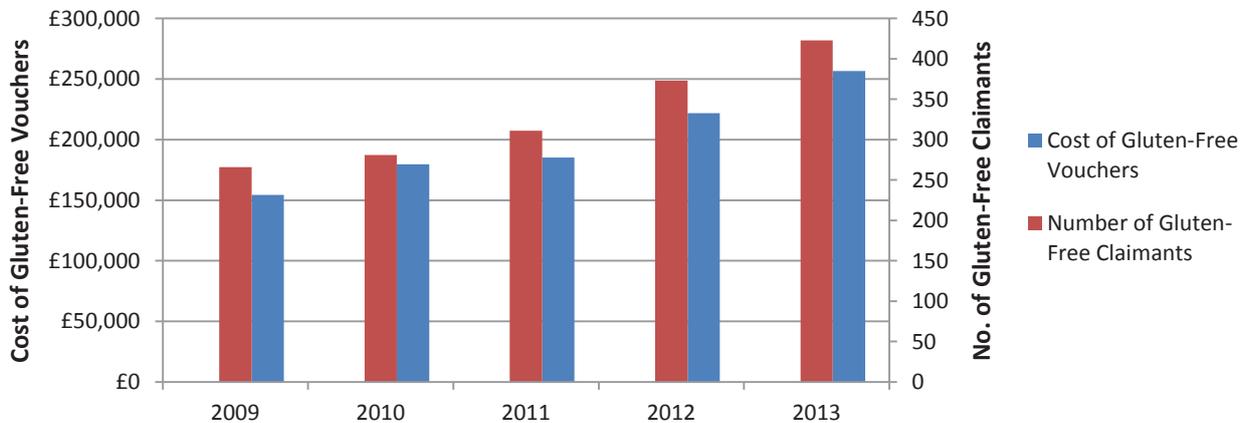


Figure 23: Numbers of gluten-free claimants and costs, 2009 to 2013

## Section 5 – Tax Funded Services and Benefits

The Department delivers a range of “tax-funded” benefits and services that are funded directly by the States of Jersey, shown in Table 22:

		2012 £000	2013 £000
<b>Services</b>	Employment Services, including Back to Work and JET	4,843	8,168
	Employment Relations and JACS	524	525
	Health and Safety at Work	495	492
<b>Benefits</b>	Income Support: Weekly Benefit	71,349	72,953
	Income Support: Residential & Nursing Care Fees	16,694	16,722
	Income Support: Transition (Protected) Payments	1,060	490
	Income Support: Special Payments	1,530	1,210
	Income Support: Cold Weather Payments	562	695
	<i>Income Support: Total</i>	<i>91,195</i>	<i>92,070</i>
	Invalid Care Allowance	2,720	-
	Christmas Bonus	1,399	1,464
	Food Cost Bonus	302	283
	Cold Weather Bonus	290	324
	Jersey 65+ Health Scheme	251	234
	TV Licence Benefit	246	276
	Other Benefits (under £100,000 each)	243	164
<b>States Grant</b>	Contribution to Supplementation – Social Security Fund	61,150	62,200
<b>Total Services, Benefits &amp; Grants before one off adjustments</b>		<b>163,658</b>	<b>166,200</b>
<b>States Grant</b>	Contribution to Long Term Care Fund	-	11,700
<b>Other</b>	Medical Benefit Re-charge (2008-2011) <sup>5</sup>	(2,354)	-
<b>Total Services, Benefits &amp; Grants after one off adjustments</b>		<b>161,304</b>	<b>177,900</b>

**Table 22:** Tax-funded expenditure (excluding administration) for 2012 and 2013

### Contribution to Long Term Care Fund (LTCF)

Underspends against budget principally for Income Support enabled a contribution to the LTCF of £11.7 million which had not been originally budgeted. This will allow benefits to be introduced in July 2014 but contributions to the LTCF to be delayed until January 2015 and then introduced at a reduced rate.

<sup>5</sup> £2,353,859 recharge to the Health Insurance Fund of Medical Benefit incorrectly charged to Income Support expenditure in prior years

## Tax Funded Services – Back to Work

### Introduction

In late 2011, existing employment support teams were brought together to form the Back to Work programme. It was established to strengthen the government's response to rising unemployment and complements our benefits system, which is designed to make work pay, and is a key part of government's strategy of getting people back to work.

The aim of the Back to Work programme is to support people who are actively seeking work back into paid employment.

Over the course of 2013, the Back to Work programme has continued to enhance its existing provision in order to provide a swift and flexible response to the needs of both jobseekers and employers. Its role is to:

- Co-ordinate the work of all government employment schemes
- Develop targeted schemes to support locally qualified jobseekers
- Build a partnership with employers to provide sustainable job opportunities for locally qualified islanders

### Teams and Initiatives

The aim of every team and initiative within the Back to Work programme is to get unemployed Islanders working, keep people in work and create new employment opportunities through sustainable economic growth. Employers can benefit from an increase in support and financial incentives and jobseekers have access to training and support to improve their confidence, skills and motivation to move into the workplace.

Back to Work teams are as follows:

- Advance to Work
- Advance Plus
- Long Term Unemployment Unit
- Workwise
- Work Zone

In addition to the development and expansion of these schemes, Back to Work also includes:

- A dedicated Employer Engagement Team – Provides employers with a tailored recruitment service and financial incentives to encourage businesses to employ unemployed islanders.
- Projects Team – A fast response team heading up industry and employer specific initiatives to make the most of job opportunities as they arise.

### Work Zone

The Work Zone is the first port of call at Social Security for people actively seeking work. Consequently, the team handles the largest number of inquiries and clients. Anyone who is unemployed can come to the Work Zone at Social Security and register as actively seeking work. For those who are registered and in receipt of Income Support, Work Zone provides personal advisers who offer wide-ranging guidance on job-seeking and training to help its clients step into the workplace.

### Advance to Work

Advance to Work helps young people looking for work make the transition between education and employment. It provides an individualised programme of general and vocational training, personal mentor support and work experience with local employers. The team's target age group is 16 to 19.

## Advance Plus

Advance Plus runs 10-week industry-specific schemes for motivated jobseekers aged 20 and over who are registered as Actively Seeking Work. The team combines intensive training, a five-week unpaid work placement and mentor support to improve a delegate's opportunities for work.

## Workwise

The Workwise team offers support and advice on job-seeking and training to people with special employment needs or particular employment barriers. The team aims to bring their clients closer to finding suitable employment through work placements and individualised support.

## Long Term Unemployment Unit

The Long Term Unemployment team provides intensive support to people who have been registered Actively Seeking Work for 12 months or more. It was initially set up to run alongside the Employment Grant to make sure that prospective candidates had the support they needed to meet an employer's expectations. As well as providing mentoring which is geared towards the needs of someone who has been out of work for some time, it offers access to work placements, job clubs and skills training.

## Employer Engagement and Incentives

The Employer Engagement team act in a similar capacity to a recruitment agency, matching job-seekers to employers' requirements. This includes assisting employers with their recruitment process, from the pre-selection of candidates to providing interview feedback.

## Financial Incentives

A number of financial incentives such as Employment Grant, JobsFest, Community Jobs Fund and Hospitality Grant are also administered by the Employer Engagement team. This streamlines the Department's contact with employers, and increases access to job opportunities for locally qualified, registered jobseekers.

- The Employment Grant is available to all businesses, giving a financial incentive to employers offering permanent or long term contracts to the long-term unemployed. Up to £7,200 is paid over the course of the first year of employment, including £500 for training. Mentoring support is also provided.
- The Community Jobs Fund provides up to six months' wages for young or long term jobseekers employed by a charity or organisation that can provide a role offering a clear, additional benefit to the community.
- JobsFest, an employer incentive created to help those who had not worked in 2013 to secure paid work during October and November, paid up to eight weeks' wages and social security contributions to employers that hired locally qualified jobseekers that had been registered as actively seeking work throughout 2013.
- Under the Hospitality Incentive employers receive the first four weeks' wages and Social Security contributions when they hire a jobseeker who has gone through the Back to Work training programme.

## Projects

The Projects team collaborates with employers and industry on specific recruitment drives to deliver innovative initiatives to tackle unemployment. It also makes jobseekers more employable by giving them training in the skills and professionalism they need, and by helping them to build confidence.

In particular, in October 2013 JobsFest, a new eight week initiative to help those who had not worked in 2013 to secure paid work, was launched to mitigate a seasonal increase in unemployment during October and November. As well as the employer incentive, it included a JobsFest Event programme comprising of a series of inspirational and motivational events, enabling jobseekers to meet business leaders from different sectors, gain new skills, and invigorate their job seeking activity and ambition.

A new hospitality training programme to give Islanders the chance to train and then get a job in hospitality was also launched and helped 268 jobseekers to secure paid employment in the industry.

Throughout 2013 jobseekers have benefited from motivational and skills training, mock assessments and interviews and coaching to meet the requirements of the individual employer.

### Actively Seeking Work: Statistics

We gather and maintain data on all individuals who are actively seeking work (ASW). This data is reported to the Statistics Unit on a monthly basis and is used to produce and publish an independent analysis.

Throughout 2013 the labour market remained in an extremely suppressed state and was exacerbated by a number of high profile redundancies including the closure of Huelin-Renouf, HMV, Play.com, and Collections Group.

This is illustrated in Figure 24 which shows the number of individuals actively seeking work from 2009 to 2013, with 1,750 people ASW in December 2013 compared to 1,840 in December 2012

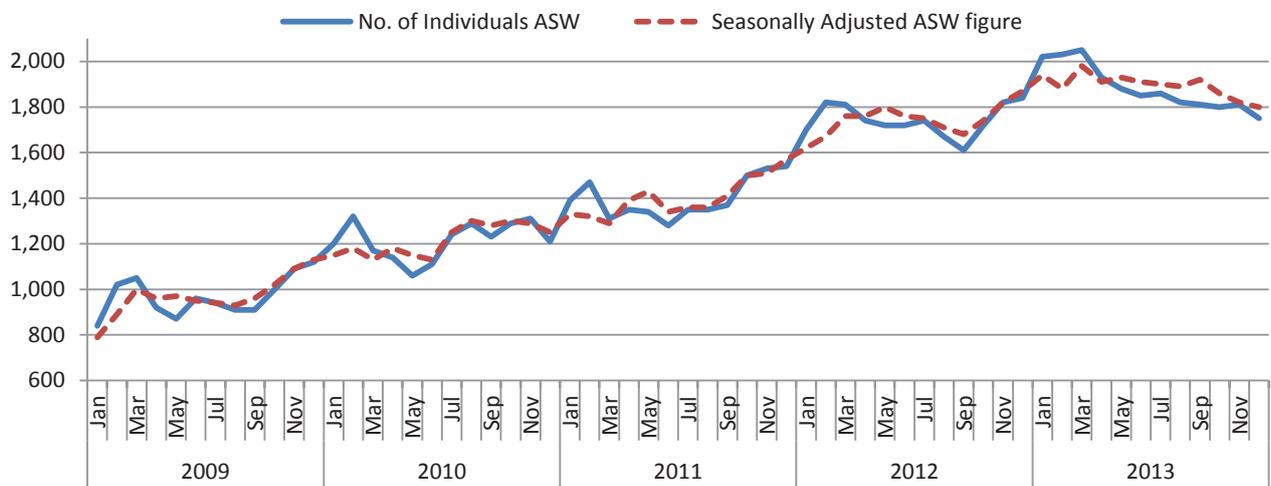


Figure 24: Number of individuals actively seeking work, and seasonally adjusted<sup>6</sup> figures from 2009 to 2013

The Back to Work teams and initiatives helped unemployed people into 1,818 paid jobs over 2013, compared to 1,326 in 2012. There is no doubt that without the investment in Back to Work the numbers of those registered as seeking work would have been higher than those experienced.

Scheme	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Total
WorkZone	218	308	252	232	<b>1,010</b>
WorkWise	28	35	38	80	<b>181</b>
Advance to Work	45	46	47	77	<b>215</b>
Advance Plus	15	34	58	56	<b>163</b>
Long Term Unemployment Pilot	19	41	45	69	<b>174</b>
Other BTW Initiatives	25	41	8	1	<b>75</b>
<b>Total BTW</b>	<b>350</b>	<b>505</b>	<b>448</b>	<b>515</b>	<b>1,818</b>

Table 23: Numbers of jobs started by customers of each scheme during 2013

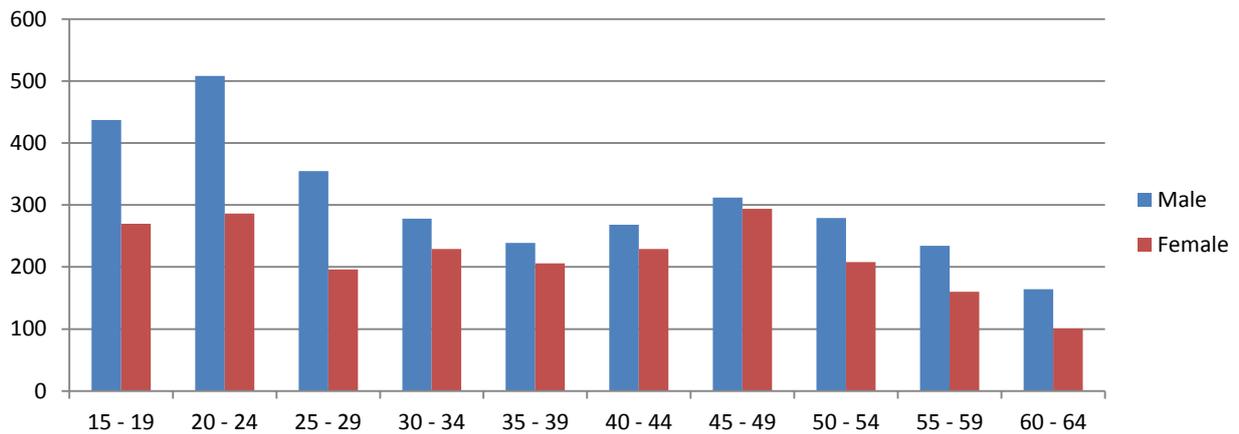
<sup>6</sup> Seasonally adjusted ASW total is published by the Statistics Unit, based on expected increases or decreases in the number of people registered at certain times of the year

The vast majority (93%) of individuals helped back into work fell into one or more of three target categories:

- those on an Income Support claim as a jobseeker,
- those who are long term unemployed (more than 52 weeks),
- those aged between 16 – 24.

### Actively Seeking Work: Demographics of Individuals

While the number of people registered as Actively Seeking Work dropped by 90 when comparing the beginning and end of the year, there were in fact 5,258 individuals who were actively seeking work at some point during 2013. A majority (59%) of these were male, with the largest group being represented by males aged between 20 and 24 (508, 10% of all registered as ASW at some point during the year).



**Figure 25:** Gender and age bracket of individuals actively seeking work at some point in 2013

Approximately three quarters of individuals registered as Actively Seeking Work were part of an Income Support household. This proportion remained relatively constant between the beginning and end of the year, as did the proportions of individuals who were long term unemployed, and individuals aged between 16 and 24.

	31 December 2012	31 December 2013
Total No. of individuals ASW	1,840	1,750
No. of individuals also on Income Support	1,370	1,290
% of individuals also on Income Support	74%	74%
No. of individuals Long-term Unemployed	320	310
% of individuals Long-term Unemployed	17%	18%
No. of individuals aged 16 - 24	540	490
% of individuals aged 16 - 24	29%	28%

**Table 24:** Numbers and proportions of the three target categories at the beginning and end of 2013

## Tax Funded Services – Jersey Employment Trust

The Jersey Employment Trust (JET) is a charitable trust and its primary role is to assist people with a disability and/or people with a long term health condition to find and sustain employment. JET provides a range of employment support services, from pre-vocational education courses, work tasters in their own vocational training areas (Acorn Enterprises and Oakfield Industries) and work experience placements in other commercial settings. The trust helps people to find suitable employment opportunities and also provide on-the-job training and support.

The grant awarded to JET in 2013, as with 2012, included amounts to provide employment opportunities for specific projects run by Jersey Mencap, Autism Jersey and MIND Jersey. In all, JET and the three charities received £1,785,000 in 2013.

More information can be found on the JET website (<http://www.jet.co.je>).

## Tax Funded Services – Jersey Advisory and Conciliation Service

The Jersey Advisory and Conciliation Service (JACS) is an employment relations service that helps employers, employees and trade unions work together for the prosperity of Jersey business and the benefit of employees. JACS also helps explain the changes in employment and discrimination law that have been enacted and which are expected in the next few years.

The services provided by JACS seek to:

- Prevent and resolve employment disputes,
- Provide impartial information and advice to employers and employees on employment matters,
- Improve the understanding of employment relations.

The Social Security Department provides an annual grant to JACS in order to deliver their services, which in 2013 was £329,200. In addition, the Department provided a ring-fenced grant of £50,000 to JACS to enable it to provide a new Outreach Advisory Service on a 1 year pilot basis which started on 9 September 2013. The service provides proactive and in-house assistance to small employers (typically with 10 or fewer employees) at an early stage in order to help prevent employment related problems arising in the first place and to remove the perceived barriers to employing staff. The service helps to ensure that employers have an essential tool kit of employment documentation, including employment contracts, payslips, disciplinary procedures and other policies and procedures.

The Social Security Minister approves board members appointments.

More information, including the JACS 2013 annual review, can be found on the JACS website (<http://www.jacs.org.je>).

## Tax Funded Services – Health and Safety Inspectorate

The Health and Safety Inspectorate carries out a wide range of actions aimed at ensuring that people at work and others who could be affected by working activities are not exposed to risks to their health or safety.

These actions, which are prioritised to address serious health and safety issues, include:

- Investigating work-related accidents and ill health which have resulted in death, serious injury or ill health
- Inspecting high risk workplaces to gain compliance with Occupational Health and Safety (OHS) legislation
- Providing advice and guidance to enable those seeking help to meet their duties under OHS legislation
- Taking action on complaints about working conditions and activities within our stated complaints policy
- Enforcing OHS legislation within the Inspectorate's stated enforcement policy
- Collating and publishing statistical information on work related accidents and ill health
- Carrying out targeted action in specific areas to seek improvements in the understanding and management of OHS
- Supporting industry-led initiatives to improve OHS
- Developing the legal framework for OHS to support the improvement of the control of risks in the workplace

In 2013, the number of work-related accidents and incidents reported through claims made for Social Security benefit reduced by 157 to 621, and the number of working days lost decreased by 3,105 to 16,827. A total of £452,000 was paid out in Short Term Incapacity Allowance as a result of these claims. During the year, the Inspectorate carried out 88 investigations into serious accidents and incidents, 114 proactive inspections of high risk workplaces and 70 enquiries as a result of the reports of defective equipment. In 2013, 3 companies were prosecuted in the Royal Court for health and safety offences arising from serious accidents and 33 enforcement notices served by Inspectors.

The Health and Safety Inspectorate publish an annual report which gives more detail on specific activities.

## Tax Funded Benefits – Income Support

### Introduction

With expenditure in 2013 of just over £92 million, the Income Support benefit is by far the largest tax-funded benefit that we provide. Within that total, support is provided to households and individuals in a variety of different circumstances. An analysis of the £92.1 million spent in 2013 is as follows:

Category	2012 £000	2013 £000
Income Support: Weekly Benefit	71,349	72,953
Income Support: Residential & Nursing Care Fees	16,694	16,722
Income Support: Transition (Protected) Payments	1,060	490
Income Support: Special Payments	1,530	1,210
Income Support: Cold Weather Payments	562	695
Medical Benefit Recharge (2008 - 2011) <sup>7</sup>	(2,354)	-
<b>Total</b>	<b>88,841</b>	<b>92,070</b>

**Table 25:** Categorised 2013 Income Support benefit expenditure

Most of the spending on Income Support is used to provide a weekly benefit to eligible local families. Funding is also available to help with one-off costs and some households continue to receive payments based on their entitlement under the previous benefit system. Income Support also provides financial assistance to people living in care homes.

### Income Support: Weekly benefit

Income Support is a household benefit. The amount paid to an individual household depends on the number of people in the household, where they live, their specific needs, and the income and capital assets of the household.

Income Support is available to households in which at least one adult meets a residence test (of at least five years residence in Jersey). Income Support claimants aged 65 and above are not subject to a work test but every adult aged under 65 must meet a work test by either being in full time work or being included in an exempt category.

### Who receives Income Support?

Income Support legislation includes specific rules as to who is included within an Income Support household. In general terms, an Income Support household comprises an adult claimant and, if applicable, their spouse, civil partner or other long term partner and dependent children.

For Income Support purposes, children are defined as those aged below compulsory school leaving age.<sup>8</sup>

Young adults above compulsory school leaving age continue to be included within the household of their parents if they are under 19 and actively seeking work (jobseeker) or under 25 and in full-time education.

There are additional rules in respect of young people with disabilities.

<sup>7</sup> £2,353,859 recharge to the Health Insurance Fund of Medical Benefit incorrectly charged to Income Support expenditure in prior years

<sup>8</sup> Compulsory school leaving age. A child reaches compulsory school leaving age on 30 June in the academic year in which the child has their 16th birthday. The academic year runs from 1 September to 31 August. Most children will be 16 when they reach compulsory school leaving age, but those with birthdays in July or August will still be 15.

An extended family living together is considered as separate Income Support households. For example, a couple with two young children sharing accommodation with the wife's parents and the husband's brother and sister-in-law is treated as three separate households:

- The couple and their two dependent children
- The wife's parents
- The husband's brother and his wife

Each household must satisfy the tests for Income Support separately.

At the end of December 2013, a total of 6,552 households were receiving Income Support. These households were made up of; 8,428 adults and 3,333 children.

For this report, these household claims have been split into four groups:

1. 65 years and above (**65+**): all households that include one or more adults aged 65 or above
2. Working age adults with no dependent children (**adult/s without children**): one or more adults all aged below 65, with no dependent children
3. 2 or more adults with dependent children (**adults with child/ren**): 2 or more adults aged below 65 with one or more dependent children
4. Single adult with dependent children (**single adult with child/ren**): a single adult aged below 65 with one or more dependent children

The distribution of adults and children amongst these household groups is as follows:

Household Type	No. of Claims	Total No. of Adults	Average (mean) No. of Adults per Claim	Total No. of Children	Average (mean) No. of Children per Claim
65+	1,691	2,043	1.2	11	0.0
Adult/s without children	2,835	3,284	1.2	-	-
Adults with child/ren	980	2,055	2.1	1,759	1.8
Single adult with child/ren	1,046	1,046	1.0	1,563	1.5
<b>Total</b>	<b>6,552</b>	<b>8,428</b>	<b>1.3</b>	<b>3,333</b>	<b>0.5</b>

**Table 26:** Number and average number of adults and children on Income Support claims as at 31 December 2013

Well over half of all Income Support households consist of a single adult without children: 2,439 adults aged up to 65 (37% of all claims), and 1,346 adults aged 65 and above (21% of all claims). Table 27 provides more detail:

Household Type	No. of claims that include:				Total
	1 Adult	2 Adults	3 Adults	4 or more Adults	
65+	1,346	339	5	-	1,691
Adult/s without children	2,439	351	39	6	2,835
Adults with child/ren	-	889	87	4	980
Single adult with child/ren	1,046	-	-	-	1,046
<b>Total</b>	<b>4,831</b>	<b>1,579</b>	<b>131</b>	<b>11</b>	<b>6,552</b>

**Table 27:** Number of claims by size and type of household as at 31 December 2013

Table 28 details the number of children on Income Support claims, by household type:

Household Type	No. of claims that include:				Total
	1 Child	2 Children	3 Children	4 or more Children	
65+	5	3	-	-	8
Adults with child/ren	431	374	134	41	980
Single adult with child/ren	645	306	77	18	1,046
<b>Total</b>	<b>1,081</b>	<b>683</b>	<b>211</b>	<b>59</b>	<b>2,034</b>

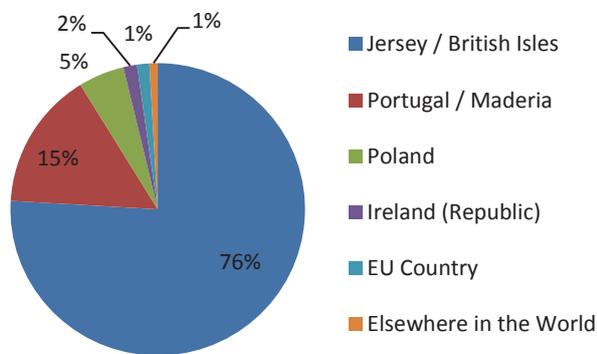
**Table 28:** Number of claims that include children by size and household as at 31 December 2013

53% of claims with children include just a single child.

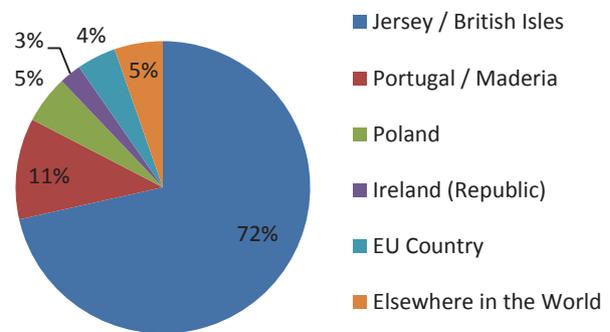
There are 59 claims which include four or more children. This represents 3% of all claims including children, and less than 1% of all Income Support claims.

The 2011 Census collected information on nationality and Figure 26 and Figure 27 compare the nationality of those claiming Income Support, where information on nationality is available, with the information contained in the 2011 Census.

Broadly speaking the proportion of people claiming Income Support by nationality matches the make-up of the Island’s population, however it must be noted that there are a number of other variables to be considered; the actual numbers in some of these groupings is small.



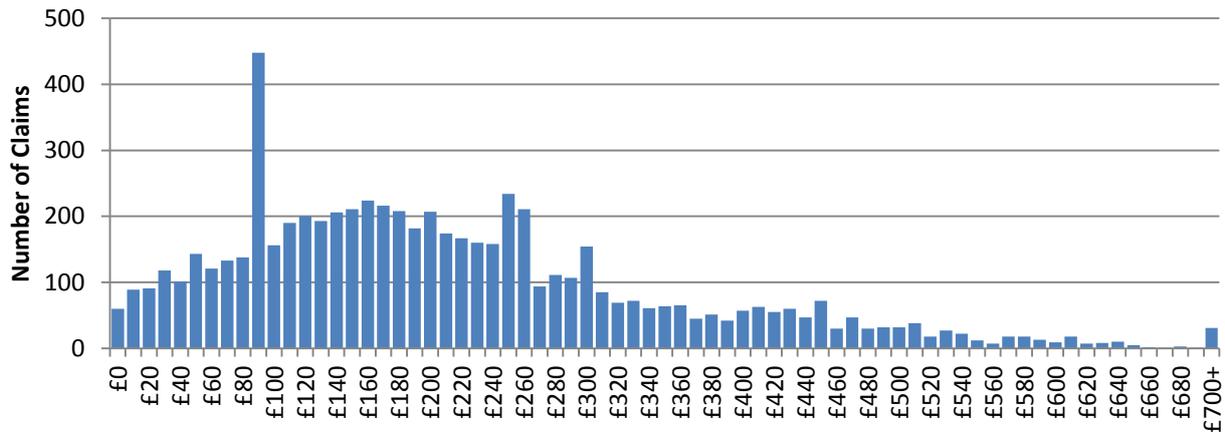
**Figure 26:** Nationality of working age (16-64) individuals on Income Support as at 31 December 2013



**Figure 27:** Nationality of working age (16-64) population registered with the Social Security Department

## Overall Claim Rate

For the 6,552 Income Support claims in payment on 31 December 2013, the average (mean) weekly claim rate was £218, with a median value of £191 per week. The spread of Income Support weekly claim rates is shown below:



**Figure 28:** Weekly Income Support claim rate as at 31 December 2013 (rounded to the nearest £10)

- The large spike at £90–£100 per week represents the rate paid to a single adult living in a relative’s home and is principally made up of unemployed claimants aged between 19 and 24 who typically still live with their parents and are only able to claim the basic adult component of £92.12 per week.
- The smaller spikes at £250–£270 per week represents the most common rate paid to an unemployed single adult living in a one bedroom rented property.

At the end of 2013 there were 31 claims with a total weekly benefit above £700. These claims represent large households, many including a child or adult with a significant disability.

## Total Household Income

Income Support tops up other household income. Many Income Support households receive income through earnings, pensions, other social security benefits, maintenance agreements and other income. 83% of Income Support households have some other form of income, with the remaining 1,146 (17%) of Income Support households being totally reliant on Income Support for their weekly income.

As household income from other sources increases, the Income Support benefit decreases until the family is fully self-sufficient. Depending on the source of income, a variety of incentives and allowances are provided to encourage Income Support families to support themselves as far as possible.

Table 29 indicates the average weekly income received from Income Support and from other sources for each of the household types at the end of 2013, as well as the percentages of the Income Support households that are wholly reliant on Income Support.

Household Type	Average Income Support Benefit £	Average Other Income £	Average Total Income £	Percentage of Households wholly reliant on Income Support
65+	£172	£215	£387	1%
Adult/s without children	£174	£134	£309	32%
Adults with child/ren	£288	£402	£690	6%
Single adult with child/ren	£345	£193	£538	17%
<b>Total</b>	<b>£218</b>	<b>£205</b>	<b>£422</b>	<b>17%</b>

**Table 29:** Total average (mean) weekly income based on claims as at 31 December 2013

## Earnings

In 2013, Income Support households had total earnings of approximately £37 million. There is an earnings disregard of 20%<sup>9</sup> (plus an additional 6% in respect of the cost of Social Security contributions) which is allowed against the Income Support calculation, providing a real incentive for low income families to take up and remain in work.

As at 31 December 2013, the distribution of adults with earnings amongst all claims consisting entirely of working age adults was as follows:

Working Age Household Type	No. of Claims with no Adult with Earnings	No. of Claims with at least one Adult with Earnings	Total No. of Claims	% of Households with no Adult with Earned Income
Adult/s without children	2,004	831	2,835	71%
Adults with child/ren	168	812	980	17%
Single adult with child/ren	518	528	1,046	50%
<b>Total</b>	<b>2,690</b>	<b>2,171</b>	<b>4,861</b>	<b>55%</b>

**Table 30:** Working age adults with and without earnings as at 31 December 2013

## Pensions

The second largest source of income for Income Support households is pensions, worth a total of about £19 million in 2013. For pensioners aged 65 and above, a weekly allowance against pension income of £51.31 (first pensioner) and £33.18 (second pensioner) was provided as at 31 December 2013. These amounts are exempt from the Income Support calculation. For those aged below 65 and already receiving a pension, an allowance of 6% was provided. At the end of December 2013, 95% of the 65+ households receiving Income Support had pension income at or above the level of the allowance.

Household Type	Annualised Average of Total Annual Pension Income £000	No. of Claims that include Pension Income	% of all Households with Pension Income
65+	17,873	1,675	99%
Adult/s without children	1,249	205	7%
Adults with child/ren	56	14	1%
Single adult with child/ren	157	23	2%
<b>Total</b>	<b>19,336</b>	<b>1,917</b>	<b>29%</b>

**Table 31:** Annualised average total pension income in 2013 by household type as at 31 December 2013

## Interest and Investment Income

Actual income received from capital assets is not included in the Income Support calculation. This includes bank interest, share dividends and rental income. However, the value of capital assets themselves is taken into account to produce a 'deemed' income in some cases (see Capital Assets on page 52).

<sup>9</sup> The earnings disregard increased from 20% to 23% on the 7<sup>th</sup> April 2014.

## Maintenance Payments

Following the breakdown of a relationship, maintenance may be paid for a child or ex-partner. In particular, if parents do not live together, the “absent” parent is expected to contribute towards the maintenance of their children. An allowance of 10% is provided against maintenance income. Just under half of claims that include a single adult and dependent children receive maintenance as part of the household income.

Household Type	No. of Claims that include Maintenance Income	Annualised average of Maintenance Income per claim £	% of all Households receiving Maintenance Income
65+	14	3,095	1%
Adult/s without children	59	3,194	2%
Adults with child/ren	132	3,463	13%
Single adult with child/ren	485	2,957	46%
<b>Total</b>	<b>690</b>	<b>3,077</b>	<b>11%</b>

**Table 32:** Annualised average maintenance income by household type as at 31 December 2013

## Long Term Incapacity

Long term incapacity allowance (LTIA) and invalidity benefit (INV) are contributory benefits for working age adults who have a loss of faculty. In many cases, this makes it difficult for the individual to support themselves through employment. Under the rules of invalidity benefit (which is no longer available to new claimants), individuals are not allowed to work. An allowance of 6% is provided against the value of these benefits in the Income Support calculation.

An estimate of the total annual income received by Income Support households from these two contributory benefits is £9 million.

Household Type	No. of Claims that include INV / LTIA Income	Annualised average of INV / LTIA Income per claim £	% of IS Households receiving INV / LTIA Income
65+	55	4,895	3%
Adult/s without children	1,082	6,297	38%
Adults with child/ren	187	5,248	19%
Single adult with child/ren	139	4,764	13%
<b>Total</b>	<b>1,463</b>	<b>5,964</b>	<b>22%</b>

**Table 33:** Annualised average INV / LTIA income by household type as at 31 December 2013

## Other Income

Income Support households receive income from a variety of other sources, including Short Term Incapacity Allowance and income from lodgers. No allowance is provided against these types of income in the Income Support calculation.

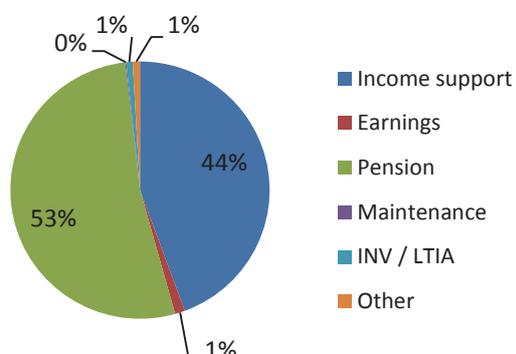
An estimate of the total annual income received by Income Support households from other income is £2.6 million.

## Charitable Income and Expense Payments

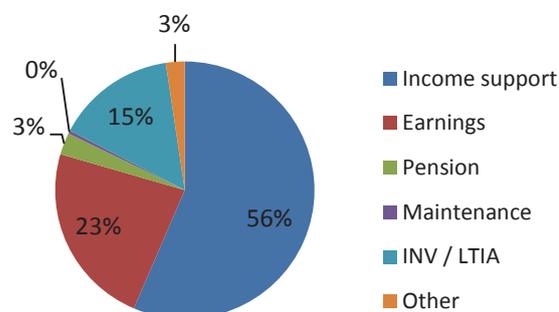
Income received from a charity and expenses paid in connection with voluntary work are not included in the Income Support calculation and do not affect the value of Income Support received.

## Income by Household Type

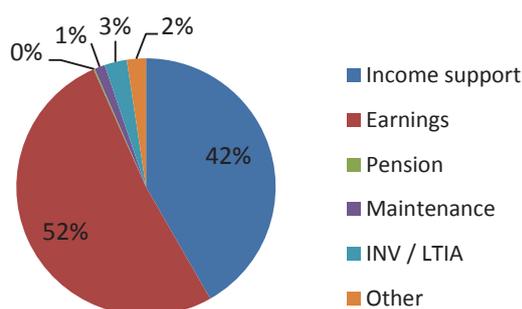
Figure 29 – Figure 32 illustrate the relative weighting of different types of income on average, including Income Support, for each household type receiving Income Support as at 31 December 2013. Each figure identifies the value of income received by the household type, e.g. 53% of the total income received by 65+ households is in the form of pension income:



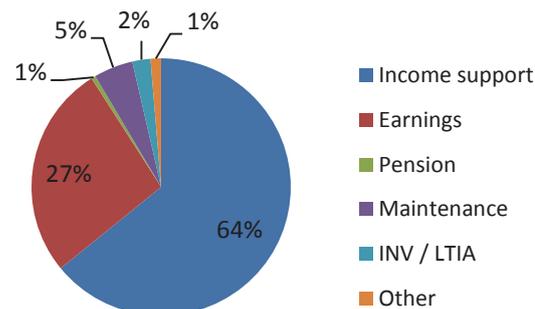
**Figure 29:** Type of income for 65+ Income Support households as at 31 December 2013



**Figure 30:** Type of income for 'adult/s without children' Income Support households as at 31 December 2013



**Figure 31:** Type of income for 'adults with child/ren' Income Support households as at 31 December 2013



**Figure 32:** Type of income for 'single adult with child/ren' Income Support households as at 31 December 2013

## Households with no income other than Income Support

A minority of Income Support households do not have any other income. Typically, this could be due to unemployment, a single parent with a young child and no maintenance agreement in place, or an individual with a long-established medical condition who does not qualify for any contributory benefit.

Household Type	No. of Claims Showing no Income on 31 December 2013	% of all Claims of this type
65+	12	1%
Adult/s without children	901	32%
Adults with child/ren	56	6%
Single adult with child/ren	177	17%
<b>Total</b>	<b>1,146</b>	<b>17%</b>

**Table 34:** Income Support households with no other income as at 31 December 2013

## Capital Assets

If an Income Support claimant owns their own home, the value of the property is completely exempt from the Income Support calculation<sup>10</sup>. Other capital assets such as deposit accounts, stocks and shares up to a certain level are exempt from Income Support calculations. These levels are shown in Table 35. Claimants with capital assets above these levels can still receive Income Support but at a lower rate. Benefit is withdrawn at the rate of £1 per week for every £250 of capital assets above the exemption limit. This is achieved by adding a 'deemed' income of this amount to the claim.

Type of Household	Capital Exemption Amount £
Single person - aged 65 or over	13,706
Single person - with personal care component	13,706
Single person - other	9,137
Couple - aged 65 or over	22,718
Couple - at least one with personal care component	22,718
Couple - other	15,145

**Table 35:** Capital exemption limits as at 31 December 2013

Table 36 details the number of households that have capital assets either above or below the relevant exemption limit:

Household Type	No. of Claims with Assets below Capital Threshold	No. of Claims with Assets above Capital Threshold	Average Value of Excess Capital above Threshold £	% of all Claims of this type with Capital Assets above Threshold
65+	1348	343	£10,842	20%
Adult/s without children	2691	144	£9,107	5%
Adults with child/ren	939	41	£10,979	4%
Single adult with child/ren	1007	39	£11,798	4%
<b>Total</b>	<b>5985</b>	<b>567</b>	<b>£10,477</b>	<b>9%</b>

**Table 36:** Capital assets by household type as at 31 December 2013

Whilst 20% of 65+ households have some capital savings above the exemption limit, only 5% of other households have savings above these levels.

<sup>10</sup> The value of the property is taken into account when assessing an Income Support Residential Care claim - see page 59.

## Components

Income Support is designed to offer financial support for different day-to-day basic living costs. The amount of Income Support that a household receives will depend on the composition of the household and their current circumstances, such as household income and savings, ages, living arrangements, and any medical condition or care needs of a member of the household. To provide support tailored to specific family circumstances, Income Support is made up of a number of separate components to cover basic living costs, accommodation, childcare, carer, medical and care costs.

### Basic Components

#### Adult components

The value of the adult component at 31 December 2013 was £92.12 per week.

The adult component is available to each adult included on the claim who satisfies the five year residency condition. For Income Support purposes, an adult is someone aged above compulsory school leaving age. From 1 August 2012 new claimants who did not satisfy the residency condition no longer received the adult component. For existing claimants who did not satisfy the residency condition the adult component was no longer available after the end of 2012.

Young adults above compulsory school leaving age continue to be included within the household of their parents if they are:

- Under 19 and actively seeking work (jobseeker)
- Under 25 and in full-time education

There are additional rules for young people with disabilities.

#### Lone parent component

The value of the lone parent component at 31 December 2013 was £132.51 per week.

The lone parent component is available if there is a single adult on the claim and at least one child. In some circumstances the lone parent component is also paid if there is a second adult aged under 19 included on the claim. At the end of 2013 there were 213 claims in this category<sup>11</sup>.

#### Child component

The value of the child component at 31 December 2013 was £63.98 per week.

The child component is available for each child on the claim aged up to compulsory school leaving age.

As of 31 December 2013 there were 213 claims that included a child born in 2013.

#### Household component

The value of the household component at 31 December 2013 was £51.31 per week.

The household component reflects the fixed costs of a household, regardless of the number of people living together. These include some specific items such as house insurance and the cost of a TV licence, together with more general costs such as energy, household maintenance etc. It is not paid to individuals who live with another household (for example, a young unemployed adult aged 19 or above who remains living with his or her parents).

<sup>11</sup> These claims are not included in the "single adult plus dependent children" (single adult with child/ren) category used throughout this report. If the household includes additional younger children, the claim will be identified in the 'two or more adults with dependent children (adults with child/ren)' category. Otherwise, the claims will be identified in the 'Working age adults with no dependent children (adults without children)' category.

## Accommodation Components

Accommodation components are available to both tenants and owner occupiers. For rented properties, maximum component levels are set for each size of unit and the component is only available up to this maximum level, regardless of the actual rent paid. If the rent paid is less than the maximum available, the component is set at the actual value of the rent. Owner occupiers have a smaller component available to assist with the cost of parish foncier (owner's) rates and building insurance. An accommodation component is not usually allocated to a claimant aged below 25. However, support is available in certain circumstances.

8% of Income Support claims were in respect of individuals living with other family members. These claimants do not receive accommodation or household components.

Table 37 shows the maximum weekly component available for each type of dwelling as at 31 December 2013<sup>12</sup>.

	Owner Occupier rate £	Tenant Maximum rate £
Hostel	N/A	80.64
Bedsit/Lodgings	6.02	115.71
One-bed flat	6.02	165.27
One-bed house	6.02	187.74
Two-bed flat	6.02	207.9
Two-bed house	6.02	244.58
Three-bed flat	8.54	236.18
Three-bed house	8.54	272.79
Four-bed flat	12.11	250.39
Four-bed house	12.11	295.19
Five or more-bed flat	12.11	259.84
Five-bed house	12.11	321.16
Six or more-bed house	12.11	336.49

**Table 37:** Weekly accommodation rates as at 31 December 2013

Table 38 sets out the number of Income Support households by tenure and property type as at 31 December 2013.

	Owner Occupier	States Rental	Housing Trust Rental	Private Rental	Other	Total
Hostel	0	0	0	2	58	60
Bedsit/Lodgings	1	206	16	358	142	723
One-bed flat	41	1,304	257	741	20	2,363
One-bed house	71	101	15	104	33	324
Two-bed flat	9	603	125	360	9	1,106
Two-bed house	27	240	46	190	2	505
Three-bed flat	1	45	14	34	1	95
Three-bed house	28	408	93	156	4	689
Four-bed house	6	65	13	28	1	113
5 or more-bed house	1	4	1	4	1	11
Other / None	0	0	2	7	554	563
<b>Total</b>	<b>185</b>	<b>2,976</b>	<b>582</b>	<b>1,984</b>	<b>825</b>	<b>6,552</b>

**Table 38:** Income Support claims by tenure and property types as at 31 December 2013

<sup>12</sup> These rates were replaced on 7<sup>th</sup> April 2014.

At the end of 2013, just over half of all Income Support households occupied a States or Housing Trust rental property. 3% of Income Support households were owner occupiers.

## Medical Components

Income Support medical components are available to assist with costs as follows: personal care components (three levels) provide additional support for individuals who have difficulty undertaking basic daily activities; mobility components (two levels) provide support for those who have significant mobility problems outside the home; and clinical cost components (two levels) provide additional support for those who need a higher than average number of GP visits to monitor an ongoing medical condition. Individuals can be eligible for one or more components depending on their particular condition.

35% of claims (2,273 claims in total) had at least one medical component included as at 31 December 2013.

Table 39 shows the weekly value of these components at 31 December 2013:

Medical Components	Clinical Cost (CC1)	Clinical Cost (CC2)	Mobility Non-Earner (MOB1)	Mobility Earner (MOB2)	Personal Care (PC1)	Personal Care (PC2)	Personal Care (PC3)
Weekly value £	3.15	6.30	22.96	45.92	22.96	101.15	145.25

**Table 39:** Medical component weekly rate value as at 31 December 2013

Table 40 shows the number of medical components included on claims as at 31 December 2013. Note that one claim may appear in more than one column.

Household Type	Clinical Cost (CC1)	Clinical Cost (CC2)	Mobility Non-Earner (MOB1)	Mobility Earner (MOB2)	Personal Care (PC1)	Personal Care (PC2)	Personal Care (PC3)
65+	442	538	562	2	258	179	181
Adult/s without children	356	368	368	7	253	127	174
Adults with child/ren	82	67	61	2	33	19	38
Single adult with child/ren	113	78	42	0	33	13	20
<b>Total</b>	<b>993</b>	<b>1051</b>	<b>1033</b>	<b>11</b>	<b>577</b>	<b>338</b>	<b>413</b>

**Table 40:** Medical components by household type as at 31 December 2013

## Carer's Component

The carer's component is available to the main carer of an individual who has a significant disability (i.e. meets the requirements for the highest level of personal care component: PC3). The carer's component can be claimed by a carer of any age, and at 31 December 2013 had a value of £46.97 per week. The cared for person does not need to be living in the same household as the carer. There were 146 Income Support claims which included a carer's component as at 31 December 2013.

## Child Care Component

The child care component is available to assist with the cost of registered childcare to allow a parent to return to employment. Three separate hourly rates are available depending on the age of the child.

As at 31 December 2013 the rates were: up to £6.27 per hour for children under 3; up to £4.90 per hour for children aged 3 and 4 and up to £4.85 per hour for children between 5 and 11.

At the end of 2013, there were 137 Income Support claims which included a total of 167 child care components.

## Overall Cost of Components

As the value of Income Support paid to a particular household depends not only on the mix of components that it is entitled to, but also on the other income received by the household, it is not straightforward to report on the value of each component in the total expenditure for Income Support.

However, to enable an analysis of the total cost to be undertaken, a method of allocating costs within the various components has been developed. This method divides the actual Income Support benefit received by a household in proportion to the gross value of each of the components that the household is eligible for, to allocate a specific net value to each of the components.

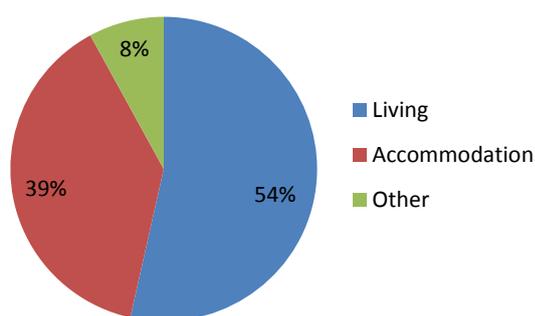
Whereas most of the analysis provided in this report is based on a detailed analysis of the Income Support claims in payment on the last day of 2013, in order to compare the total spend in 2013 across the range of components, it is necessary to examine expenditure throughout the year. The mix of claims changes over time and the values of some components were increased during the year. The following analysis includes data taken from each month of the year to ensure that trends in the take-up of Income Support and rate changes during the year are represented, and provides approximate net values for the cost of each component group.

Household Type	Living £000	Accommodation £000	Other £000	Total £000
65+	6,859	5,841	1,994	14,694
Adult/s without children	13,549	9,987	2,345	25,881
Adults with child/ren	8,321	5,072	757	14,150
Single adult with child/ren	10,304	7,223	701	18,228
<b>Total</b>	<b>39,033</b>	<b>28,123</b>	<b>5,797</b>	<b>72,953</b>

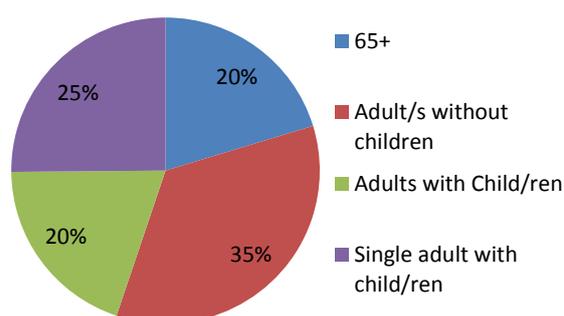
**Table 41:** Analysis of net expenditure in 2013 by component and household type

Throughout this section, components have been grouped as follows:

- Living: adult, child, lone parent and household components
- Accommodation: all accommodation components (tenants and owner occupiers)
- Other: all medical components, carer, and childcare



**Figure 33:** Distribution of 2013 net annual expenditure by component type



**Figure 34:** Distribution of 2013 net annual expenditure by household type

## Income Support: Transition (Protected) Payments

In addition to weekly Income Support entitlement, some claimants continue to receive protected payments in respect of benefits that were replaced by Income Support in 2008. These payments are being phased out over a number of years.

The phasing depends on the type of claim as follows:

	Protection January to June 2013	Protection July to December 2013
Household includes adults previously receiving attendance allowance or adult disablement allowance or a child previously receiving child disability allowance	60%	40%
Household has high legacy entitlement <sup>13</sup>	40%	20%
Household includes adults over 65 or individual previously receiving disability transport allowance	25%	0%
Other households	0%	0%

**Table 42:** Transition (protected) payment phasing

Households that include a child previously receiving Attendance Allowance are not subject to any reduction in transition (protected) payments and these payments will continue until the child reaches compulsory school leaving age. At that point, the young adult is able to make a claim for Income Support in their own right.

On 31 December 2013, 218 households were receiving transition (protected) payments, without any underlying Income Support benefit. This is shown by household type in Table 43. A further 24 households were receiving both Income Support and transition payments.

Household Type	Number of Claims
65+	72
Adult/s without children	101
Adults with child/ren	39
Single adult with child/ren	6
<b>Total</b>	<b>218</b>

**Table 43:** Transition (protected) payments at 31 December 2013

The total cost in 2013 of transition (protected) payments was £490,000 down from £1,060,000 in 2012.

<sup>13</sup> This group is made up of households in which the difference between the value of the previous benefits received and the Income Support payable on 28 January 2008 was more than 25% of the total of the calculated income of the household and their Income Support benefit on that day.

## Income Support: Residential Care

The Income Support system also supports individuals living in care homes who are unable to meet the full cost of their own care. During 2013, these costs were supported up to the value of:

Care Level	2013 Maximum Weekly Fee Available £
Standard residential care	638.75
High dependency residential care	817.11
Nursing care	474.81 <sup>14</sup>

**Table 44:** Maximum weekly fee for care homes

In addition to assistance with the care home fees, claimants also received a personal allowance of £32.62 per week.

People with housing assets but limited liquid assets can take bonds against their properties to pay for care. In 2013 there were 69 active bonds with a total value of £3.1 million.

At the end of 2013, 579 individuals were receiving financial assistance with the cost of care.

Age	Standard Residential Care	High Dependency Residential Care	Nursing Care	Total
65 and above	141	219	94	454
Under 65	24	83	18	125
<b>Total</b>	<b>165</b>	<b>302</b>	<b>112</b>	<b>579</b>

**Table 45:** Individuals in receipt of financial support for care home fees as at 31 December 2013

The total cost of support for care home residents during 2013 was £16,722,000.

## Income Support: Special Payments

The weekly Income Support payments are designed to meet daily living costs. Income Support legislation also allows for larger one off costs to be met through special payment grants or loans. These cover a number of areas as shown in Table 46:

Description	No. of Payments as Grants	No. of Payments as Loans	Value £000
Essential household equipment	491	6	182
Rental deposit	0	249	243
Removal expenses	35	0	7
Employment related expenses	4	0	Less than 1
Medical expenses	1,364	129	732
Health and safety	1	0	2
Funerals	27	0	45
Repatriation expenses	1	0	Less than 1
<b>Total</b>	<b>1,923</b>	<b>384</b>	<b>1,210</b>

**Table 46:** Special payments in 2013

<sup>14</sup> Individuals receiving nursing care in beds provided by Health and Social Services are required to pay a standard fee of £474.81 per week in line with the Hospital Charges (Long-Stay Patients) (Jersey) Law towards the cost of their care. Income Support assists with this fee on a means-tested basis and the remaining cost of the nursing care is met directly by the Health and Social Services Department.

## Income Support: Cold Weather Payments

Cold weather payments are made to selected Income Support households during the winter months. Cold weather payments are calculated for the months of October to April if the temperature drops below a certain level. Payments are made in arrears, i.e. October's payment is made in the first week of November.

The cold weather payment for a month is made to any household receiving Income Support that, for the whole of the month, includes one of the following:

- someone over 65 years old;
- a child under the age of 3; or
- someone receiving personal care level 3 component

In 2013, the following cold weather payments were made:

	Jan	Feb	Mar	Apr	...	Oct	Nov	Dec	Total 2013 Value
<b>Value £</b>	63.00	62.97	65.45	40.33		0.00	29.11	43.14	304.00

**Table 47:** Monthly cold weather payment values in 2013

In 2013, the total value of cold weather payments was £695,000 with an average (mean) of 2,315 households receiving a payment each month.

## Income Support: Ministerial Exceptional Payments

The Income Support law provides a set of rules against which benefit decisions are made. Inevitably, from time to time an unusual situation will arise that is not covered by the standard rules and, in the event of an exceptional circumstance, the Minister has the power to make payments outside of the standard Income Support rules. Payments authorised under these powers in 2013 totalled £99,000; however, some payments may run across more than one calendar year. The cost of these payments is reported within the weekly Income Support costs.

## Tax Funded Benefits – Christmas Bonus

The Christmas Bonus is a lump sum benefit of £82.00 (in 2013) that is paid to those who already receive certain benefits. It is paid by the 15 December to all local residents in receipt of:

- Old Age Pension
- Widow's Benefit\*
- Widowed Father's Allowance\*
- Survivor's Benefit
- Invalidity Benefit\*
- 100% Disablement Benefit\*
- 100% Long Term Incapacity Allowance
- Incapacity Pension
- Income Support - personal care level 2 or 3
- Home Carer's Allowance

\* No new claims can be made for these benefits but they are still available to existing claimants.

The total Christmas Bonus cost for 2013 was £1,464,000.

## Tax Funded Benefits – Food Costs Bonus

The Food Costs Bonus is payable to any household that has an income too high to qualify for Income Support but too low to pay Income Tax. Only one Food Costs Bonus may be claimed per household and at least one member of the household must have been resident in Jersey for at least five years.

The Food Costs Bonus is an annual payment - £220.98 in 2013 - to help households with the cost of food and the Goods and Services Tax (GST) that is charged on food. In 2013, a total of 1,447 households received the Food Cost Bonus, of which 88 were for 2012, with a total payment for 2013 of £283,000.

The vast majority of these claimants were over 65 years old (85%) as illustrated in Figure 35.

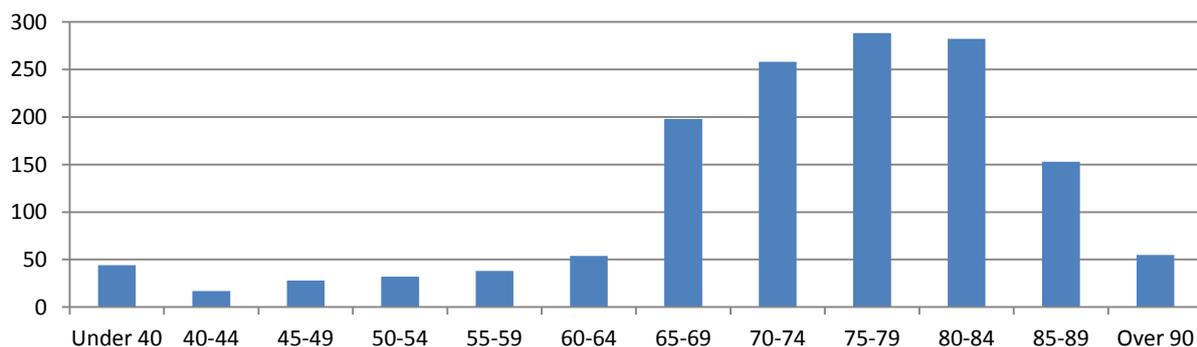


Figure 35: Number of Food Costs Bonuses paid in 2013 by age bracket

## Tax Funded Benefits – Cold Weather Bonus

The Cold Weather Bonus eligibility criteria are the same as the Food Costs Bonus, except that it is only payable to households with at least one adult aged 65 years or over who is receiving a Jersey old-age pension. This Bonus is designed to help pensioner households with the cost of heating during the winter months and is paid in two instalments; once in May, for the months January to April, and then again in January, for the months of October to December.

The value of the Bonus is based on the monthly Cold Weather Payments made to Income Support claimants - £304.00 in total for 2013.

In 2013, 1,070 households received a Bonus for the months January to April and 1,122 received a Bonus for the months October to December. The total amount paid in 2013 was £324,000.

## Tax Funded Benefits – 65+ Health Scheme

The Jersey 65+ Health Scheme subsidises dental, optical and chiropody costs and is available to those pensioners who do not pay income tax and have relatively low savings; up to a maximum of £20,000 for singles, £30,000 for couples (excluding the value of the family home).

As of 31<sup>st</sup> December 2013, there were 2,415 pensioners registered under the scheme. In 2013 there were 4,011 claims approved at a total cost of £285,000 inclusive of management fees.

## Tax Funded Benefits – 75+ TV Licence Benefit

Those who are over 75 years old and have an annual income that is below £15,370 for single pensioners and £25,280 for pensioner couples, and fulfil certain other criteria, qualify for a payment equivalent to the cost of a full TV licence.

In 2013, nearly all the 1,879 people claiming the TV Licence Benefit received the full amount of £145.50 at a total cost of £276,000.

## Tax Funded Benefits – other benefits

In 2013 there were four other benefits funded from taxation:

1. **The Jersey Dental Benefit Scheme** is available to help towards the cost of dental treatment for young people between the ages of 11 and 21 dependent on the existing health of their teeth and family income.
2. **Childcare Support** provides limited support with childcare costs for low income working parents whose children were born in Jersey but who do not qualify for Income Support on residency grounds.
3. **Housing Adaptation Grants** are made to assist those living in privately owned or rented accommodation to make adaptations to their property that will enable them to continue living independently at home where they have a particular clinical need, as assessed by the occupational therapy team.
4. **Non-Contributory Death Grants** are made where the deceased has not made sufficient contributions but was Jersey born and has been ordinarily resident in the Island for the 12 months prior to the date of his/her death; or if not Jersey born, have been ordinarily resident in the Island for a total period of at least 12 years at any time before death. Death Grants for those with sufficient contributions are funded from the Social Security Fund.
5. **Redundancy Protection** was a temporary insolvency scheme introduced on the basis of a decision of the States in 2009 following the closure of Woolworths in 2008. The scheme compensated employees who were made redundant due to insolvency for pay in lieu of their statutory period of notice. In December 2012 the scheme was replaced with a statutory benefit under the Social Security Law that compensates employees who are made redundant due to insolvency for unpaid wages, holiday pay, statutory notice pay and statutory redundancy pay, and was transferred from tax funded budgets to the Social Security Fund.

The table below shows the total value paid for each benefit in 2013 and 2012.

Benefit	2012	2013
	£	£
Dental Benefit Scheme*	116,000	120,000
Childcare Support	16,000	44,000
Housing Adaptation Grants	40,000	17,000
Non-Contributory Death Grants	32,000	16,000
Redundancy Protection	70,000	-
<b>Total</b>	<b>243,000</b>	<b>164,000</b>

**Table 48:** Total value of other benefits administered using tax funding for 2012 and 2013

\* Inclusive of management fees

## Departmental Administration Costs

The following table shows all of the costs not displayed on the previous pages which contribute to the total expenditure of £422.0 million for 2013.

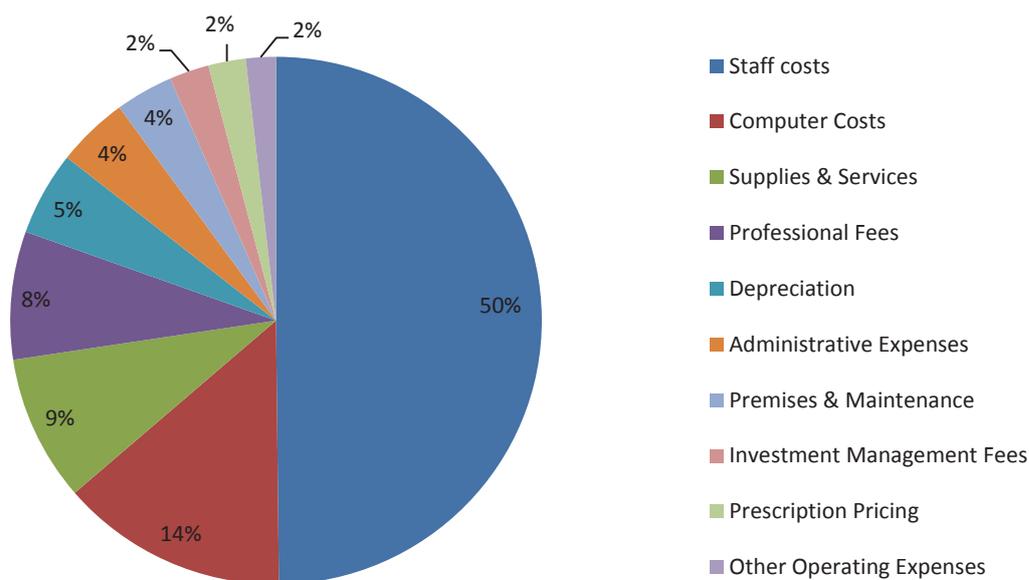
	2012 £000	2013 £000
Staff costs – administration of contributions and benefits <sup>15</sup>	5,741	6,386
Supplies & Services	898	1,147
I.T. Costs	1,002	1,774
Administrative Expenses	611	559
Professional Fees	629	1,005
Investment Management Fees	344	310
Premises & Maintenance	262	451
Prescription Pricing	248	291
Other Operating Expenses	168	234
Depreciation	846	659
<b>Total Administration Costs</b>	<b>10,749</b>	<b>12,816</b>

**Table 49:** Analysis of Social Security Department administration costs, 2012 and 2013

The increase in staffing costs was driven by the recruitment of additional staff during the year, in accordance with the Medium Term Financial Plan, to strengthen the Income Support team as a consequence of the economic climate.

I.T. costs increased mainly through the development of the GP Central Services project designed to benefit patients through easier access to clinical information at any GP surgery.

Additional planned professional fees were incurred in 2013 as a result of both the development of the Long Term Care Benefit which required extensive research and modelling and also the actuarial reviews of the Social Security and Health Insurance Funds which is a requirement under their respective laws.



**Figure 36:** Analysis of Social Security Department administration costs 2013

<sup>15</sup> Staff costs of providing the Back to Work services and Health and Safety Inspectorate are included in the delivery of those services – see page 39

## Section 6 – Financial Statements

The Social Security Department’s accounts are published as part of the States of Jersey Financial Report and Accounts. The tables within this Financial Statements section are extracts from this report.

The full accounts can be found on the States of Jersey website  
(<http://www.gov.je/Government/Pages/StatesReports.aspx?ReportID=1066>)

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### Tax Funded Services and Benefits Financial Statements

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**Social Security Fund : Statement of Comprehensive Net Expenditure**  
for the year ended 31 December 2013

	2012 Actual £'000	2013 Actual £'000
<b>Revenue</b>		
Contributions	(157,977)	(156,415)
States Contribution	(61,150)	(62,200)
Sales of Goods and Services	(163)	(163)
Investment Income	(300)	(165)
Other Income	–	(308)
<b>Total Revenue</b>	<b>(219,590)</b>	<b>(219,251)</b>
<b>Expenditure: Near Cash</b>		
Social Benefit Payments	191,456	201,678
Supplies and Services	4,285	4,872
Administrative Expenditure	665	635
Premises and Maintenance	174	317
Other Operating Expenditure	1	1
Finance Costs	38	39
<b>Total Expenditure: Near Cash</b>	<b>196,619</b>	<b>207,542</b>
<b>Net Revenue Income: Near Cash</b>	<b>(22,971)</b>	<b>(11,709)</b>
<b>Non Cash Amounts</b>		
Depreciation and Amortisation	582	659
Reversal of Impairments of Property, Plant and Equipment	(1,386)	–
<b>Total Non Cash Amounts</b>	<b>(804)</b>	<b>659</b>
<b>Net Revenue Expenditure</b>	<b>(23,775)</b>	<b>(11,050)</b>
<b>Other Comprehensive Expenditure</b>		
Reversal of Revaluation of Property, Plant and Equipment	1,014	–
<b>Total Other Comprehensive Income</b>	<b>1,014</b>	<b>–</b>
<b>Total Comprehensive Income</b>	<b>(22,761)</b>	<b>(11,050)</b>

## Social Security Fund : Statement of Financial Position

for the year ended 31 December 2013

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
<b>Non-Current Assets</b>			
Property, Plant and Equipment	6,933	7,170	6,735
Intangible Assets	1,217	1,148	1,110
<b>Total Non-Current Assets</b>	<b>8,150</b>	<b>8,318</b>	<b>7,845</b>
<b>Current Assets</b>			
Trade and Other receivables	51,635	56,436	58,789
Cash and Cash Equivalents	9,621	8,287	7,758
Balance due from the Consolidated and Other Funds	–	–	3,351
<b>Total Current Assets</b>	<b>61,256</b>	<b>64,723</b>	<b>69,898</b>
<b>Total Assets</b>	<b>69,406</b>	<b>73,041</b>	<b>77,743</b>
<b>Current Liabilities</b>			
Trade and Other Payables	(5,702)	(3,807)	(1,539)
Balance due to the Consolidated and Other Funds	(11,394)	(4,080)	–
<b>Total Current Liabilities</b>	<b>(17,096)</b>	<b>(7,887)</b>	<b>(1,539)</b>
<b>Assets Less Liabilities</b>	<b>52,310</b>	<b>65,154</b>	<b>76,204</b>
<b>Revenue Reserves</b>			
Accumulated Revenue Reserves	47,990	61,848	72,898
Revaluation Reserve	4,320	3,306	3,306
<b>Total Revenue Reserves</b>	<b>52,310</b>	<b>65,154</b>	<b>76,204</b>

**Social Security (Reserve) Fund : Statement of Comprehensive Net Expenditure**  
for the year ended 31 December 2013

	2012 Actual £'000	2013 Actual £'000
<b>Revenue</b>		
Investment Income	(97,838)	(195,602)
<b>Total Revenue</b>	<b>(97,838)</b>	<b>(195,602)</b>
<b>Expenditure: Near Cash</b>		
Supplies and Services	380	328
<b>Total Expenditure: Near Cash</b>	<b>380</b>	<b>328</b>
<b>Net Revenue Income</b>	<b>(97,458)</b>	<b>(195,274)</b>

## Social Security (Reserve) Fund : Statement of Financial Position

for the year ended 31 December 2013

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
<b>Non-Current Assets</b>			
Investments held at Fair Value through Profit or Loss	854,323	962,143	1,157,731
<b>Total Non-Current Assets</b>	<b>854,323</b>	<b>962,143</b>	<b>1,157,731</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	183	43	148
<b>Total Current Assets</b>	<b>183</b>	<b>43</b>	<b>148</b>
<b>Total Assets</b>	<b>854,506</b>	<b>962,186</b>	<b>1,157,879</b>
<b>Current Liabilities</b>			
Trade and Other Payables	(188)	(113)	(63)
Balance due to the Consolidated Fund	–	–	(122)
<b>Total Current Liabilities</b>	<b>(188)</b>	<b>(113)</b>	<b>(185)</b>
<b>Assets Less Liabilities</b>	<b>854,318</b>	<b>962,073</b>	<b>1,157,694</b>
<b>Taxpayer's Equity</b>			
Accumulated Revenue Reserves	854,318	962,073	1,157,694
<b>Total Taxpayer's Equity</b>	<b>854,318</b>	<b>962,073</b>	<b>1,157,694</b>

## Health Insurance Fund : Statement of Comprehensive Net Expenditure

for the year ended 31 December 2013

	2012 Actual £'000	2013 Actual £'000
<b>Revenue</b>		
Contributions	(28,915)	(28,573)
Investment Income	(8,406)	(8,653)
<b>Total Revenue</b>	<b>(37,321)</b>	<b>(37,226)</b>
<b>Expenditure: Near Cash</b>		
Social Benefit Payments	26,712	27,213
Supplies and Services	1,421	2,319
Administrative Expenditure	166	150
Premises and Maintenance	27	26
Other Operating Expenditure	6,131	2,000
Grants and Subsidies Payments	24	–
<b>Total Expenditure: Near Cash</b>	<b>34,481</b>	<b>31,708</b>
<b>Net Revenue Income</b>	<b>(2,840)</b>	<b>(5,518)</b>

## Health Insurance Fund : Statement of Financial Position

for the year ended 31 December 2013

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
<b>Non-Current Assets</b>			
Property, Plant and Equipment	88	285	–
Investments held at Fair Value through SoCNE	67,810	70,085	78,739
<b>Total Non-Current Assets</b>	<b>67,898</b>	<b>70,370</b>	<b>78,739</b>
<b>Current Assets</b>			
Trade and Other receivables	8,042	8,874	9,111
Cash and Cash Equivalents	–	–	1
Balance due from Consolidated and Other Funds	5,855	2,940	193
<b>Total Current Assets</b>	<b>13,897</b>	<b>11,814</b>	<b>9,305</b>
<b>Total Assets</b>	<b>81,795</b>	<b>82,184</b>	<b>88,044</b>
<b>Current Liabilities</b>			
Trade and Other Payables	(1,746)	(1,648)	(1,989)
<b>Total Current Liabilities</b>	<b>(1,746)</b>	<b>(1,648)</b>	<b>1,989</b>
<b>Assets Less Liabilities</b>	<b>80,049</b>	<b>80,536</b>	<b>86,055</b>
<b>Revenue Reserves</b>			
Accumulated Revenue Reserves	80,049	80,536	86,055
<b>Total Revenue Reserves</b>	<b>80,049</b>	<b>80,536</b>	<b>86,055</b>

**Long Term Care Fund : Statement of Comprehensive Net Expenditure**  
for the year ended 31 December 2013

	<b>2013 Actual £'000</b>
<b>Revenue</b>	
States Contribution	(11,700)
Investment Income	(1)
<b>Total Revenue</b>	<b>(11,701)</b>
<b>Net Revenue Income</b>	<b>(11,701)</b>

As the Long Term Care Fund is in its first year, there are no comparative figures presented.

**Long Term Care Fund : Statement of Financial Position**  
for the year ended 31 December 2013

	2013 Actual £'000
<b>Current Assets</b>	
Cash and Cash Equivalents	11,701
<b>Total Current Assets</b>	<b>11,701</b>
<b>Total Assets</b>	<b>11,701</b>
<b>Revenue Reserves</b>	
Accumulated Revenue Reserves	11,701
<b>Total Revenue Reserves</b>	<b>11,701</b>

As the Long Term Care Fund is in its first year, there are no comparative figures presented.

**Tax Funded Benefits and Services : Net Revenue Expenditure – Service Analysis**  
for the year ended 31 December 2013

2013 Medium Term Financial Plan			2013 Final Approved Budget			2012 Actual			2013 Actual		
Near Cash £'000	Non-Cash £'000	Total £'000	Near Cash £'000	Non-Cash £'000	Total £'000	Near Cash £'000	Non-Cash £'000	Total £'000	Near Cash £'000	Non-Cash £'000	Total £'000
62,200	-	62,200	62,200	-	62,200	61,150	-	61,150	62,200	-	62,200
-	-	-	-	-	-	-	-	-	11,700	-	11,700
81,787	-	81,787	81,638	-	81,638	71,349	-	71,349	72,953	-	72,953
-	-	-	-	-	-	(2,354)	-	(2,354)	-	-	-
1,397	-	1,397	1,397	-	1,397	1,530	-	1,530	1,210	-	1,210
18,775	-	18,775	18,775	-	18,775	16,694	-	16,694	16,722	-	16,722
673	-	673	673	-	673	562	-	562	695	-	695
833	-	833	833	-	833	1,060	-	1,060	490	-	490
103,465	-	103,465	103,316	-	103,316	88,841	-	88,841	92,070	-	92,070
547	-	547	554	-	554	495	-	495	492	-	492
9,547	-	9,547	11,217	-	11,217	5,367	-	5,367	8,693	-	8,693
2,974	-	2,974	2,974	-	2,974	5,451	-	5,451	2,829	-	2,829
7,334	-	7,334	8,019	-	8,019	6,531	-	6,531	7,750	-	7,750
1,035	-	1,035	109	-	109	-	-	-	-	-	-
(3,748)	-	(3,748)	(3,815)	-	(3,815)	(3,429)	-	(3,429)	(3,952)	-	(3,952)
183,354	-	183,354	184,574	-	184,574	164,406	-	164,406	181,782	-	181,782

## Tax Funded Benefits and Services : Statement of Comprehensive Net Expenditure for the year ended 31 December 2013

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual £'000	2013 Actual £'000
		<b>Revenue</b>		
(3,748)	(3,815)	Sales of Goods and Services	(3,476)	(3,952)
<b>(3,748)</b>	<b>(3,815)</b>	<b>Total Revenue</b>	<b>(3,476)</b>	<b>(3,952)</b>
		<b>Expenditure: Near Cash</b>		
168,639	168,490	Social Benefit Payments	157,762	168,715
–	–	Adjustment to Medical Benefit Recharge	(2,354)	–
11,199	12,397	Staff Expenditure	8,587	10,913
1,553	2,717	Supplies and Services	1,057	2,309
183	183	Administrative Expenditure	197	151
119	119	Premises and Maintenance	140	441
215	215	Other Operating Expenditure	131	89
4,149	4,149	Grants and Subsidies Payments	2,285	2,971
–	–	Impairments of Financial Assets	67	135
10	10	Finance Costs	10	10
1,035	109	Contingency	–	–
<b>187,102</b>	<b>188,389</b>	<b>Total Expenditure: Near Cash</b>	<b>167,882</b>	<b>185,734</b>
<b>183,354</b>	<b>184,574</b>	<b>Net Revenue Expenditure</b>	<b>164,406</b>	<b>181,782</b>

**Tax Funded Benefits and Services : Statement of Financial Position**  
for the year ended 31 December 2013

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
<b>Current Assets</b>			
Trade and Other receivables	7,094	8,018	9,144
<b>Total Current Assets</b>	<b>7,094</b>	<b>8,018</b>	<b>9,144</b>
<b>Total Assets</b>	<b>7,094</b>	<b>8,018</b>	<b>9,144</b>
<b>Current Liabilities</b>			
Trade and Other Payables	(1,228)	(989)	(1,106)
<b>Total Current Liabilities</b>	<b>(1,228)</b>	<b>(989)</b>	<b>(1,106)</b>
<b>Total Assets Less Current Liabilities</b>	<b>5,866</b>	<b>7,029</b>	<b>8,038</b>
<b>Assets Less Liabilities</b>	<b>5,866</b>	<b>7,029</b>	<b>8,038</b>
<b>Taxpayer's Equity</b>			
Accumulated Revenue Reserves	5,866	7,029	8,038
<b>Total Taxpayer's Equity</b>	<b>5,866</b>	<b>7,029</b>	<b>8,038</b>

## Appendix: Summary of legislation approved or amended in 2013

<b>CIVIL PARTNERSHIP (CONSEQUENTIAL AMENDMENTS) (NO. 2) (JERSEY) REGULATIONS 2013</b>	Extends the definition of a partner under the long-term-care law to include a civil partner.	Approved: 29 <sup>th</sup> January 2013 In force: 1 <sup>st</sup> May 2013
<b>R&amp;O-016-2013</b>		
<b>DISCRIMINATION (JERSEY) LAW 2013</b> <b>L-10-2013</b>	Introduces protection against race discrimination (direct and indirect discrimination, victimisation and harassment) in the workplace and in other areas, e.g. education, goods and service, tenancies.	Approved: 9 <sup>th</sup> October 2013 In force: 1 <sup>st</sup> September 2014
<b>EMPLOYMENT (MINIMUM WAGE) (AMENDMENT NO. 9) (JERSEY) REGULATIONS 2013</b>	Limits the amount that can be taken into consideration as remuneration when employers provide food/living accommodation from April 2013.	Made: 19 <sup>th</sup> March 2013 In force: 1 <sup>st</sup> April 2013
<b>R&amp;O-033-2013</b>		
<b>EMPLOYMENT (MINIMUM WAGE) (AMENDMENT NO. 10) (JERSEY) REGULATIONS 2013</b>	Limits the amount that can be taken into consideration as remuneration when employers provide food/living accommodation from April 2014.	Approved: 10 <sup>th</sup> December 2013 In force: 1 <sup>st</sup> April 2014
<b>R&amp;O-156-2013</b>		
<b>EMPLOYMENT (MINIMUM WAGE) (AMENDMENT NO. 6) (JERSEY) ORDER 2013</b>	Sets the minimum wage for employees and trainees from April 2013.	Made: 22 <sup>nd</sup> March 2013 In force: 1 <sup>st</sup> April 2013
<b>R&amp;O-039-2013</b>		
<b>EMPLOYMENT (MINIMUM WAGE) (AMENDMENT NO. 7) (JERSEY) ORDER 2013</b>	Sets the minimum wage for employees and trainees from April 2014.	Made: 25 <sup>th</sup> October 2013 In force: 1 <sup>st</sup> April 2014
<b>R&amp;O-139-2013</b>		
<b>EMPLOYMENT (REDUNDANCY - MAXIMUM WEEKLY AMOUNT) (AMENDMENT) (JERSEY) ORDER 2013</b>	Increases the maximum weekly wage for the purpose of calculating a statutory redundancy payment.	Made: 6 <sup>th</sup> September 2013 In force: 1 <sup>st</sup> October 2013
<b>R&amp;O-121-2013</b>		
<b>EMPLOYMENT AGENCIES (REGISTRATION AND CODE OF CONDUCT) (AMENDMENT) (JERSEY) ORDER 2013</b>	Incorporates into the law certain aspects of the Maritime Labour Convention, 2006 that imposes specific additional requirements on agencies engaged in the recruitment and placement of seafarers to ensure compliance with the international convention by August 2013.	Made: 28 <sup>th</sup> June 2013 In force: 5 <sup>th</sup> July 2013
<b>R&amp;O-092-2013</b>		

<b>FOOD COSTS BONUS (JERSEY) ORDER 2013</b>  <b>R&amp;O-101-2013</b>	Sets value of the food cost bonus for 2013.	Made: 12 <sup>th</sup> July 2013 In force: 19 <sup>th</sup> July 2013
<b>HEALTH INSURANCE (PHARMACEUTICAL BENEFIT) (GENERAL PROVISIONS) (NO. 2) (AMENDMENT NO. 10) (JERSEY) ORDER 2013</b>  <b>R&amp;O-044-2013</b>	Sets the rates for dispensing fees for community pharmacists from 1 May 2013.	Made: 28 <sup>th</sup> March 2013 In force: 1 <sup>st</sup> May 2013
<b>HEALTH INSURANCE (PHARMACEUTICAL BENEFIT) (GENERAL PROVISIONS) (NO. 2) (AMENDMENT NO. 11) (JERSEY) ORDER 2013</b>  <b>R&amp;O-119-2013</b>	Sets the rates for dispensing fees for community pharmacists from 1 October 2013.	Made: 23 <sup>rd</sup> August 2013 In force: 1 <sup>st</sup> October 2013
<b>HEALTH INSURANCE FUND (MISCELLANEOUS PROVISIONS) (AMENDMENT) (JERSEY) LAW 2013</b>  <b>L-02-2013</b>	Creates transfers from the Health Insurance Fund to the Health and Social Services Department for each year of the Medium Term Financial Plan, to fund primary care services.	Approved: 12 <sup>th</sup> February 2013 In force: 1 <sup>st</sup> March 2013
<b>INCOME SUPPORT (AMENDMENT NO. 9) (JERSEY) REGULATIONS 2013</b>  <b>R&amp;O-106-2013</b>	Increases the value of housing components within the income support system from October 2013.	Approved: 18 <sup>th</sup> July 2013 In force: 25 <sup>th</sup> July 2013
<b>INCOME SUPPORT (GENERAL PROVISIONS) (AMENDMENT NO. 10) (JERSEY) ORDER 2013</b>  <b>R&amp;O-047-2013</b>	Increases the value of the old age pension disregards within the income support system from May 2013.	Made: 10 <sup>th</sup> April 2013 In force: 16 <sup>th</sup> May 2014
<b>INCOME SUPPORT (GENERAL PROVISIONS) (AMENDMENT NO. 11) (JERSEY) ORDER 2013</b>  <b>R&amp;O-129-2013</b>	Increases the value of the old age pension disregards within the income support system from October 2013.	Made: 26 <sup>th</sup> September 2013 In force: 27 <sup>th</sup> September 2013
<b>INCOME SUPPORT (GENERAL PROVISIONS) (AMENDMENT NO. 12) (JERSEY) ORDER 2013</b>  <b>R&amp;O-134-2013</b>	Makes changes to the decision-making process for an income support claimant who is not actively seeking work.	Made: 11 <sup>th</sup> October 2013 In force: 15 <sup>th</sup> October 2013
<b>INCOME SUPPORT (MISCELLANEOUS PROVISIONS) (JERSEY) REGULATIONS 2013</b>  <b>R&amp;O-133-2013</b>	Revises sanctions for an income support claimant who is not actively seeking work and introduces sanctions in respect of an income support claimant who gives up work without a good reason.	Approved: 8 <sup>th</sup> October 2013 In force: 15 <sup>th</sup> October 2013

<b>LONG-TERM CARE (JERSEY) LAW 2012 (APPOINTED DAY) ACT 2013</b>	Sets the start of the LTC scheme as 01 July 2014.	Approved: 11 <sup>th</sup> December 2013 In force: 11 <sup>th</sup> December 2013
<b>R&amp;O-160-2013</b>		
<b>LONG-TERM CARE (RESIDENCY CONDITIONS) (JERSEY) REGULATIONS 2013</b>	Details the residency condition for the LTC scheme.	Approved: 11 <sup>th</sup> December 2013 In force: 1 <sup>st</sup> July 2014
<b>R&amp;O-159-2013</b>		
<b>LONG-TERM CARE (STATES CONTRIBUTION) (JERSEY) REGULATIONS 2013</b>	Details the annual States Grant to be paid into the LTC scheme.	Approved: 11 <sup>th</sup> December 2013 In force: 12 <sup>th</sup> December 2013
<b>R&amp;O-158-2013</b>		
<b>SOCIAL SECURITY (2013 OLD AGE PENSION ADJUSTMENT) (JERSEY) ORDER 2013</b>	Provides details of the one off old-age pension adjustment payment made in May 2013.	Made: 10 <sup>th</sup> April 2013 In force: 17 <sup>th</sup> April 2013
<b>R&amp;O-046-2013</b>		
<b>SOCIAL SECURITY (AMENDMENT OF LAW NO. 5) (JERSEY) REGULATIONS 2013</b>	Introduces a "double lock" mechanism for old age pension annual updates.	Approved: 19 <sup>th</sup> March 2013 In force: 26 <sup>th</sup> March 2013
<b>R&amp;O-034-2013</b>		
<b>SOCIAL SECURITY (AMENDMENT OF LAW NO. 6) (JERSEY) REGULATIONS 2013</b>	Introduces a long-term-care contribution, closely aligned to income tax liability.	Approved: 11 <sup>th</sup> December 2013 In force: Reg. 1 to 11 and 13 1 <sup>st</sup> July 2014, Reg. 12 1 <sup>st</sup> January 2015
<b>R&amp;O-157-2013</b>		
<b>SOCIAL SECURITY (COLLECTION OF CONTRIBUTIONS) (JERSEY) ORDER 2013</b>	Makes changes to allow a single card to be used for both the new Control of Housing and Work Law and the Social Security Law.	Made: 26 <sup>th</sup> June 2013 In force: 1 <sup>st</sup> July 2013
<b>R&amp;O-089-2013</b>		
<b>SOCIAL SECURITY (CONTRIBUTIONS) (AMENDMENT NO. 14) (JERSEY) ORDER 2013</b>	Makes changes to allow a single card to be used for both the new Control of Housing and Work Law and the Social Security Law.	Made: 26 <sup>th</sup> June 2013 In force: 1 <sup>st</sup> July 2013
<b>R&amp;O-090-2013</b>		
<b>SOCIAL SECURITY (CONTRIBUTIONS) (AMENDMENT NO. 15) (JERSEY) ORDER 2013</b>	Revises changes made as part of the introduction of an additional 2% contribution rate above the standard earnings limit.	Made: 27 <sup>th</sup> June 2013 In force: 1 <sup>st</sup> July 2013
<b>R&amp;O-091-2013</b>		
<b>SOCIAL SECURITY (GENERAL BENEFIT) (AMENDMENT NO. 5) (JERSEY) ORDER 2013</b>	Makes adjustments to the Social Security order consistent with the changes to the old age pension uprate.	Made: 22 <sup>nd</sup> March 2013 In force: 26 <sup>th</sup> March 2013
<b>R&amp;O-040-2013</b>		

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**SOCIAL SECURITY (OLD AGE PENSIONS  
AND SURVIVOR'S BENEFIT)  
(AMENDMENT) (JERSEY) ORDER 2013**

Makes adjustments to the Social Security order consistent with the changes to the old age pension uprate.

Made: 22<sup>nd</sup> March 2013  
In force: 26<sup>th</sup> March 2013

**R&O-041-2013**

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