



Lesson 1 Videos Recap

Tax through history

THE ESSENTIALS

Why do we have tax?

Albert Bushnell Hart, an American writer and historian said, "Taxation is the price which civilized communities pay for the opportunity of remaining civilized."

It's true that when we live in a community, there are great things we can achieve together, but only if we pool our resources.



Albert had a good point, but it's perhaps only true, if the people in charge of taxes act in the best interests of the community and we hold them accountable, for how they spend the tax.

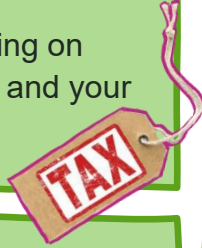


THE ESSENTIALS

Taxes today in Jersey

Personal Income Tax

You pay up to 20%, depending on how much income you have and your personal circumstances.



Goods and Services Tax (GST)

5% when you buy anything (like food or clothes) or use a service (like an electrician).



Impôt Duties

Tax on things like alcohol/cigarettes, included in the price at the till.

Property tax

Stamp duty or Land Transaction Tax if you buy a house or flat.



Vehicle Emissions Duty (VED)

Tax based on a vehicle's CO₂ emissions when you buy a car.



Fuel Duty

Price included at the pump for petrol and diesel in you drive.

Long-Term Care (LTC)

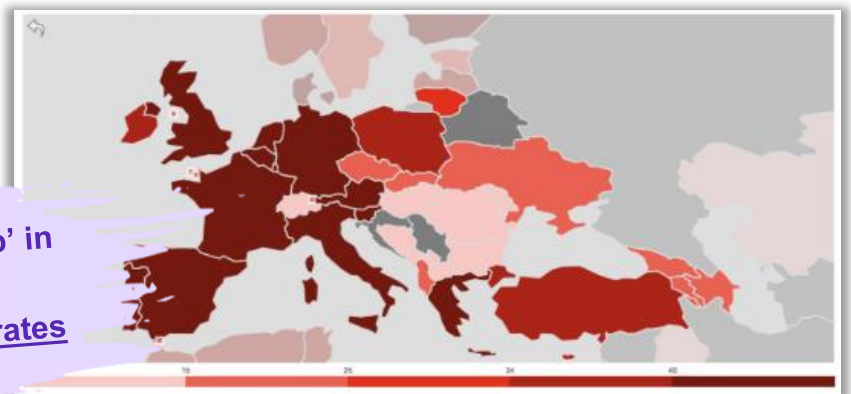
Calculated with your personal income tax and helps people who need care for the rest of their lives.

Paying tax is important to our way of life.

TAKE CONTROL

You can use an international personal tax rate map like this one to look at the maximum tax people may pay in any country.

Type 'personal tax rate map' in your browser.
[Personal income tax \(PIT\) rates](#)



→ **Impôt**

A French word that means a direct compulsory financial charge set by the government.



→ **Ringfencing money**

Money raised by a tax can be ring-fenced (kept separate from the rest of tax income), to pay for a specific thing.

We 'ring-fence' a percentage of Fuel Duty, and it goes into the Climate Emergency Fund and money collected by tax for long-term care goes to the long-term care fund.

GOOD TO KNOW

Social Security Contributions – Life before SSC

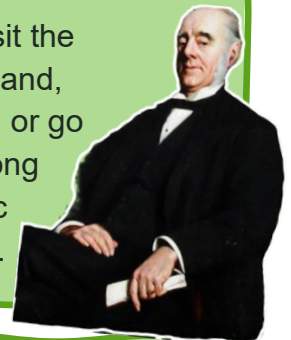
THE ESSENTIALS

100 years ago, life was harsh if you didn't have earning or savings.



Thinking of travelling or living abroad? Do your research first. Make sure you know what protections are guaranteed by the law and what you get as a visitor or a resident.

Welfare options were to Visit the Parish Connétable cap in hand, and ask for Parish Welfare, or go to The Workhouse. Work long hours in exchange for basic meals and a place to sleep.



There is a lot more support in Jersey today, but that isn't so true in every country.

Difficult social norms



→ **Married mums** in particular depended on their husbands for money.



→ **Un-married mothers** or widows were even more vulnerable as they were judged immoral and unworthy of help by many, if they had a baby out of wedlock. They would conceal pregnancy and give up their baby for adoption or a relative's care.

→ Parish Welfare

They might give financial support.

For example, they gave a pension to some community members.

Welfare could come as a food basket from the church, second hand shoes for your children, or wood for your stove.

Support wasn't much and could not be relied on.

The Connétable was the sole decisionmaker on whether you were deserving or undeserving poor. He'd go on what he knew and what others had said about you.



→ The Workhouse

There was one within the grounds of the General Hospital, and one in St Saviour.

You would still need to work to earn your food and shelter, often up to the day you die.

It was also very likely you'd be buried in a large mass grave called a Pauper's grave.



VARIATIONS AROUND THE WORLD

A country's culture deeply influences what a community feels is the right thing to do in this regard. Take America as an example:

- ➔ If you have no health insurance you'll pay \$75 - \$200 to visit your GP
\$20 - \$150 for a blood test. \$1,300 for an ambulance.
- ➔ \$172 average spent on prescriptions each year. (Average in UK £12, average in Jersey £0.)
- ➔ Approximately 40% of Americans have debt from medical bills, including insured Americans.
- ➔ Unemployment insurance only paid up to 26 weeks. Only if you lose your job through no fault of your own.
- ➔ Employers legally have to offer 12 weeks leave for babies or caring for sick family members, but in 38 states they don't have to pay you.



Life with SSC

THE ESSENTIALS



Since the 1950's, Jersey has had a Social Security Fund, which helps support our islanders' when facing certain life events.



We pay social security contribution payments into it through our working life.



Employment, Social Security and Housing Department ('ESSH'), administer the Social Security fund and use it to:

- ➔ to support islanders in difficult times
- ➔ to pay us a State Pension when we retire
- ➔ to pay the survivors pension (for widows and widowers)

TAKE CONTROL

The Social Security fund can help you if you:

- have a baby
- adopt a child
- have a short- or long-term illness that prevents you from working
- have a physical impairment that restricts the work you can do
- are the primary care giver for someone in your home
- have experienced bereavement and need to pay for the burial costs
- have lost your job because your employer goes bankrupt
- reach retirement age



ABOUT THE OLD AGE STATES PENSION

Remember?



The state pension only gives you the money to pay for essential living costs when you reach the States pension age.

It's key to you being able to stop working when you get to retirement age.



if you want to do more than live on a tight budget, you'll need to also build up a work or private pension, or other investments.

Revenue Jersey collects and pays all our contributions into the Fund. In a typical year, of every pound spent by ESSH from the Fund:

- 77p pays for old age pensions
- 20p pays for working age benefits
- 3p covers the cost of running the scheme

The Social Security Fund like an agreement by our whole community.

We all put a little money 'aside' so that we can look after each-other in times of need.

It helps ensure there is support available when it's needed the most.

Like an insurance policy, you pay, hoping you won't need it, but glad you'll be covered if you do.

**GOOD TO KNOW**