

Cost of Living Temporary Scheme (COLTS) - 2022

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Contents

1	Summary	2
2	Time limit of this scheme.....	2
3	Funding for the scheme	3
4	Qualifying benefits.....	3
5	Eligibility for the scheme and how payments will be processed.....	4
5.1	Income Support	4
5.2	Pension Plus	5
5.3	Community Costs Bonus	5
5.4	Cold Weather Bonus	5
6	Amounts available from the scheme.....	6
7	Additional government action in respect of inflationary pressures.....	6
8	Fraud	6
9	Legal position of the scheme	6
10	Application for payments	6
11	Data Protection.....	7
12	Contact Customer & Local Services Department	7

1 Summary

As a result of rising inflationary pressures on Islanders, the Minister for Social Security has decided to implement a temporary scheme called the Cost of Living Temporary Scheme (COLTS). COLTS will support over 11,000 people in Jersey who receive means-tested benefits. This includes 9,600 adults and children living in Income Support households and an additional 1,800 “just about managing” people who don’t qualify for Income Support but receive help with heating, health or other costs.

People eligible for COLTS will receive an additional payment of £20 **for each member of their household** each month from April to December 2022.

In addition to Income Support, COLTS will support people claiming the following benefits:

- Cold Weather Bonus (CWB) – the CWB is designed to help pensioner households with the cost of heating during the winter months, it is paid in two instalments – in January for the months of October to December, then again in May for the months of January to April. The value of the payment varies depending on the cost of fuel and how cold the winter is. It was last paid to 823 households.
- Pension Plus Scheme (PPS) – currently 2,610 people are on this scheme. Pension Plus helps lower-income pensioners with the costs of dental, optical and chiropody treatment.
- The Community Costs Bonus (CCB) helps households that are just above the Income Support level with an annual payment. In 2021 the payment was £258.25 to 905 households.

Income Support rates will rise in October by 2.6% - this was agreed by the Assembly last year to make sure that these families were not affected by the timing of the general election. The figure of 2.6% was the best estimate that was available at the time for inflation in 2022. As at the end of last year, local inflation had already risen to 3.8% and it is expected it to rise further during the year.

Due to of the timing of the election, the Minister does not have the option of proposing a higher uplift for this year and has opted to set up COLTS to provide extra support to Income Support families. The impact of rapid price rises can also have an impact on “just about managing” households, therefore COLTS also extends to an additional group of households who currently receive more limited support. In all over 11,000 pensioners, adults and children are covered.

This proposal is approximately equivalent to roughly a 3% increase in Income Support components for 9 months:

- The average value of the Income Support uprate in October is £155 per person for 9 months (£1.5m total cost for a 2.6% uprate); and
- The value of the support proposed for households claiming Income Support is £180 per person (£20 for 9 months). Estimated cost £1.7m.

2 Time limit of this scheme

COLTS will run for 9 months, it will provide payments from April to December 2022, the first payments will be made during the last week of April.

From April COLTS will be providing an additional £20 a month to **each person** in a household eligible for the benefits listed above.

For example: a pensioner couple will receive £40 a month, a couple with 2 children will receive an extra £80.

Payments will be sent automatically using information already held by Government – there will be no need for people to apply. If they are claiming any of the benefits linked to the scheme in a given month¹, they will be eligible for the payment.

Making payments through to December 2022 will give time for the next Minister to assess the situation and put in place appropriate support for 2023.

It will be up to the next Minister and States Assembly to decide what level of support is provided on a more permanent basis from 2023. There will be time for the next Assembly to increase the Income Support components or make other benefit changes from January 2023 if that is the preferred option.

3 Funding for the scheme

This is a tax-funded scheme. It will be administered through Customer & Local Services (CLS) with funding allocated from existing departmental budgets allocated to Income Support and other tax-funded benefits.

The overall cost of COLTS is estimated at £2 million. This is based on the following data of existing benefit claimants:

	Proposed £20 for 9 months (Apr-Dec)	
	People claiming	Est cost £
Income Support	9,651	1,700,000
Other benefits (not IS)	1,789	320,000
	<u>11,440</u>	<u>2,020,000</u>

The Jersey economy has recovered well from the impact of the covid pandemic and the number of people who are actively seeking work is currently at an all-time low. The number of Income Support claims has also fallen, and actual numbers are well below the estimates provided for in the 2022 Government Plan. These budgets can be redeployed to provide this temporary support without making any demands on the wider public purse.

4 Qualifying benefits

COLTS will apply to anybody who gets Income Support, and to others who don't get Income Support but are on the Pension Plus scheme or have claimed a Community Costs Bonus or Cold Weather Bonus in the last 6 months.

The following web pages give more information on each qualifying benefit:

[Income Support](#)

[Pension Plus](#)

¹ See section 5 (below) for detailed rules in relation to Community Costs and Cold Weather Bonus claimants.

[Cold Weather Bonus](#)

[Community Costs Bonus](#)

5 Eligibility for the scheme and how payments will be processed

Eligibility for COLTS is based on entitlement to the benefits described in this document on the first working day of each month² (excluding April³).

Everyone included for receipt of a payment needs to be alive and resident in Jersey at the time the payment is processed.

There is no application process for COLTS. Data will be extracted from existing CLS business systems on a monthly basis identifying eligible individuals for that month. Typically, the data extract will be made on the 1st working day of the month and the payment made shortly after i.e. during the first week of the month. The exception to this will be April, where the payment will be made in the last week of the month to ensure the scheme starts as soon as possible. This will mean the first and second payment (May) will be close together. This difference will be clearly explained in communications around the scheme.

CLS will use details already held on their business systems to make payments. The vast majority of payments will be made direct to bank accounts using BACS payments. For the small minority of claimants where a BACS payment is not possible, payment will be made in the same way that the underlying benefit is paid.

Payments will not be backdated.

Payments do not form part of the statutory benefit system and are not subject to any deductions or repayments in respect of existing statutory benefit entitlement.

In the event that a claim is open at the time of the data extract but is then subject to a retrospective change that would close the claim before the date of the data extract, any £20 payments that have been made will remain valid and do not need to be repaid.

The following rules also apply:

5.1 Income Support

In general, a payment will be made in respect of every participant (adult or child) included in an open Income Support claim on the day that the data extract is made for that month. The following detailed rules will be applied as needed.

- a) Suspension: a person can be suspended from an open claim for administrative reasons. Suspended participants will not be included on COLTS.
- b) The suspension rule does not apply to university students who will be included in COLTS in term time months as well as holiday months.
- c) Suspension: a whole claim can be suspended. This is usually an administrative action while the claim is being updated and CLS are waiting for information from the household. If the suspension is short term and based on an operational issue, the

² See below for detailed rules in relation to Community Costs and Cold Weather Bonus claimants.

³ April payments will be made based on a data extract taken immediately before the start of the scheme.

£20 payments will be made. If the claim has been suspended for more than 28 days, £20 payments will not automatically be made but will be reviewed on a case-by-case basis.

- d) Adults under 5 years' residence: An adult in an IS household with less than 5 years residence does not receive any IS components in their own right, however they will still be eligible for COLTS.

5.2 Pension Plus

- a) This is an individual scheme. Pensioners can join at any time and are included in the Pension Plus scheme from the beginning of the next calendar month. New claimants will receive the £20 payments from that month.
- b) Most £20 payments will be made as one monthly payment to the claimant in the household. Income support, Community costs bonus and cold weather bonus are all household benefits with a single claimant. However, if a pensioner couple do not receive any of these benefits but are both members of Pension Plus, they will receive individual £20 monthly payments. The total amount received is not affected.

5.3 Community Costs Bonus

- a) Claims in respect of the 2020 tax year opened in October 2021, applications for this period ran until 31/12/2021. All existing claimants making a claim in that period will be eligible for COLTS.
- b) The CCB scheme allows late applications to be made where there is a clear reason why the application could not be made in the correct tax year. Late applications for the CCB scheme will be included in COLTS if they have been received and approved before the end of April 2022.
- c) In October 2022, applications will open for the 2021 tax year. All the 2020 tax year CCB claimants will continue to be included in the scope of COLTS, even if they do not make a CCB claim against their 2021 tax year.
- d) Applicants who apply for the CCB benefit for the first time in October 2022 will not be included in COLTS. They will receive the 2022 CCB payment of £258.25.
- e) Details of household members are collected as part of the application process for the CCB payment. These details are not updated during the year. COLTS will make a payment in respect of each household member identified at the time of the original application. However, note that, as with all benefits, careful checks are made at the time of each payment to ensure that payments are not sent out to individuals who are now deceased. If a person joins the household during the year, they will not be included in the scheme.

5.4 Cold Weather Bonus

- a) There is a joint application process for CCB and Cold Weather Bonus. Household membership is collected during this process and stored against the details of the CCB payment. There are only a very small number of claimants who receive the Cold Weather Bonus but do not also receive CCB. These households fall outside of the usual application process for these benefits, so records of the household composition will not be held. Households who have applied for a Cold Weather

Bonus for any month between October 2021 and April 2022 will be included in COLTS if their application has been received and confirmed by the end of April 2022.

6 Amounts available from the scheme

COLTS provides monthly payments.

Payment values are as follows:

- £20 per person

For example, a household of 2 adults and 2 children will receive an extra £80 per month from April – December.

Payments are not subject to tax.

7 Additional government action in respect of inflationary pressures

The underlying benefits included in this scheme ensure that the monthly £20 payments are well targeted at Islanders with low household incomes who are likely to be affected by increases in the cost of basic goods.

Ministers have also committed to the creation of a project team to look at the wider issues of the impact of high inflation on all Islanders and proposals will be presented to the new Council of Ministers later this year.

8 Fraud

In the event that a claimant has made a **fraudulent** claim for one of the underlying benefits and has therefore inappropriately received one or more payments under COLTS, those payments must be repaid.

9 Legal position of the scheme

COLTS is non-statutory. As such, these guidelines can be amended or withdrawn without notice at the discretion of the Minister for Social Security. This guidance will be updated as required following a direction from the Minister.

As a non-statutory scheme, the decision of the Minister for Social Security is final and there is no right to appeal.

10 Application for payments

There is no application process. Anyone claiming one or more of the underlying benefits linked to COLTS during a given period will be eligible for a payment, which will be paid automatically using an existing payment method.

People that receive money from this scheme will receive a letter or similar communication from CLS advising them of why they have received an additional payment.

11 Data Protection

CLS will use existing customer data to process payments and determine eligibility. Data processed for the purposes of COLTS will be processed in accordance with the Social Security Department's privacy policy and in accordance with the usual rules and safeguards applicable to the use of data collected for the purposes of delivering benefits.

[Social Security Privacy Policy](#)

12 Contact Customer & Local Services Department

If you have any questions about COLTS, please contact CLS directly:

Monday to Friday 8.30am to 5pm:

Customer and Local Services
PO Box 55
La Motte Street
St Helier
JE4 8PE

Online: www.gov.je

By email: customerservice@gov.je

By phone: +44 (0) 1534 444444