

# STATES OF JERSEY



Jersey

## **DRAFT COMMUNITY COSTS BONUS (AMENDMENT) (JERSEY) REGULATIONS 202- (P.83/2022): AMENDMENT (P.83/2022 Amd.) – AMENDMENT**

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**Lodged au Greffe on 6th September 2022  
by the Minister for Social Security  
Earliest date for debate: 13th September 2022**

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**STATES GREFFE**



DRAFT COMMUNITY COSTS BONUS (AMENDMENT) (JERSEY)  
REGULATIONS 202- (P.83/2022): AMENDMENT (P.83/2022 Amd.) –  
AMENDMENT

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**PAGE 3, AMENDMENT –**

In the inserted paragraph (1) of Regulation 1, for the substituted paragraph (3), substitute –

- “(3) The second condition is that where an application for a bonus is made on behalf of the household –
  - (a) no member of the household was served with a notice of assessment under Article 25 of the Income Tax (Jersey) Law 1961 (“Income Tax Law”) showing a liability to income tax for the year of assessment preceding the year to which the application relates; or
  - (b) in the case of an application relating to the year 2022, the combined liability to income tax of all members of the household served with a notice of assessment under Article 25 of the Income Tax Law is not more than £2,735 for the 2021 year of assessment.”.

MINISTER FOR SOCIAL SECURITY

## REPORT

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Currently, the Community Costs Bonus (CCB) is targeted at households in which no member has an income tax liability.

The wording of Deputy Feltham's amendment refers to individual household members having a tax liability under £2,735.

This would exacerbate a distinction in the current system, which would result in the benefit being accessible to unmarried couples at higher income levels when compared to married couples.

As a result, unmarried couples could receive c.£10,500 extra income and remain eligible for the CCB, when compared to married couples in otherwise equivalent circumstances. Under the original proposal, an unmarried couple with 2 children would be able to earn over £60,000 p/a and still claim the CCB.

The Minister for Social Security is proposing an amendment to Deputy Feltham's amendment, to extend eligibility for the CCB to all households with a combined tax liability of less than £2,735 for the year of assessment 2021.

This would ensure consistency with other social security benefits, which are payable on the basis of household income rather than individual income, and help minimise the distortions between different household types (e.g. married and unmarried couples).

The proposed measure is operationally feasible to implement within existing systems but would require some additional effort to reconfigure controls between Customer and Local Services and Revenue Jersey.

### **Financial and manpower implications**

Deputy Feltham has suggested that the original amendment would cost an additional £3.1 million, based on the number of taxpayers with an income tax liability below **£2,330**.

The number of taxpayers with income tax liability below £2,735 has now been estimated at 14,100. This would produce an estimated cost of £3.6 million.

This amendment to the amendment would reduce the number of eligible households, and therefore the cost of this measure. There is insufficient data to determine the value of that reduction.

There are no manpower implications.