

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY SENATOR F. du H. LE GRESLEY  
ANSWER TO BE TABLED ON TUESDAY 18th JANUARY 2011**

**Question**

Would the Minister set out his timetable for the introduction of the additional 2% Social Security contributions above the ceiling from employees and employers and advise when he intends to consult with groups which represent the self employed, such as the Small Business Group at the Jersey Chamber of Commerce?

Has the Minister considered carrying out a further consultation exercise this year with the public and interested groups on the reform of our personal taxation system so as to have an alternative option available in the event that the required changes to legislation, to implement the proposed increase in Social Security contributions from 1st January 2012, were to be rejected by the States?

Would the Minister set out his timetable for consultation with members of the financial services industry on the ISE fee structure, from which it is proposed to generate additional income of £2m in 2012?

**Answer**

Social Security

All matters relating to progressing the policy of changes to Social Security contributions are the responsibility of the Minister for Social Security. The regulations to make changes to the contributions above the ceiling will be lodged by the Social Security Minister for States debate by July 2011 and introduction from 1 January 2012. Informal consultation, led by the Minister for Social Security, will take place with key stakeholders throughout the year as part of the ongoing development. This is in addition to an extensive Fiscal Strategy Review consultation which was undertaken last year, during which Chamber members and representatives of other employment groups attended meetings and sent in their responses to the green paper.

The proposals for 2011 and the rest of the strategy set out in the 2011 Budget to bring our finances back into balance by 2013 was approved by the States in December. The increase in Social Security contributions is a key part of the strategy, alongside the increase in GST and ISE fees.

There are no plans to carry out further consultation this year in order to develop an alternative to an increase in Social Security contributions. Detailed research was carried out in preparation for the Fiscal Strategy Review consultation, which identified the four tax raising measures which could raise the necessary level of revenue. However, longer term tax policy development is being looked at and there will be opportunities taken to consult on tax matters in future.

The possibility of reform of our personal tax system through other means such as the introduction of a higher rate of income tax was considered during last year's Fiscal Strategy Review consultation and discounted. If the changes necessary to increase Social Security contributions

are not approved, then the alternatives would be to further reduce spending and/or increase other taxes.

#### ISE fees

The consultation process will take place in the spring and early summer of this year with the intention that specific proposals will be included in the 2012 Budget.