

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
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QUESTION SUBMITTED ON MONDAY 22nd FEBRUARY 2021
ANSWER TO BE TABLED ON MONDAY 1st MARCH 2021**

Question

Will the Minister advise –

- (a) the total owed by Income Support recipients due to overpayments at the end of each accounting year from 2015 to date;
- (b) how this total can be broken down –
 - (i) by the actions of the recipient; and
 - (ii) by mistakes or other failures of the department;
- (c) whether these overpayments are classed as debt owing to the States or otherwise accounted;
- (d) how the department takes into account that all overpayments are not always the fault of the recipient but can be caused by mistakes or failures of the department in how it handles cases;
- (e) how does the department recover overpayments, to what extent does it consider ability to pay, and over what periods does the department recover these sums;
- (f) how many individuals have been taken to Court to recover outstanding overpayments each year since 2015 to date;
- (g) how many individuals have been prosecuted each year since 2015 to date for fraud in relation to overpayments;
- (h) what the department's policy is regarding writing off overpayments, and in what circumstances this applies; and
- (i) what the Ministers discretion is in dealing with overpayments and to what extent has she delegated this discretion?

Answer

The Income Support system is designed to provide payments in advance to low income households. Paying in advance ensures that vulnerable households are not left without funds to support their basic needs immediately following a decrease to their household income, particularly when first claiming benefit or in situations where employment ends unexpectedly.

A system designed to make payments in advance **will always** have a delay in catching up with situations where a household's income has increased. This is the cause of many small overpayments of Income Support, and represents a trade-off that is viewed positively by most customers. Benefits that pay in arrears are often criticised for being slower to recognise decreases in income.

The system that pays in advance will always require adjustments where household income has increased after a payment has been made. As Income Support is an in-work benefit increases and decreases in earnings are a daily occurrence.

As stated, these adjustments will often cause small overpayments. The vast majority will be repayable from on-going benefit.

Each sub-question has been answered as follows:

(a) The total owed by Income Support recipients due to overpayments at the end of each accounting year from 2015 to date:

Table of total Income Support claimant debt from 2016 – 2020:

As at year end	2020	2019	2018	2017	2016
Income Support Debt	3,782,089	3,121,884	2,721,516	2,388,055	2,240,793

Explanatory note:

- The outstanding figure of overpayments being repaid at the end of each year from open claims.
- The figure is a rolling figure.
- 2015 is not a comparable figure due to debt consolidation implemented from 2016.

(b) how this total can be broken down:

- (i) by the actions of the recipient; and**
- (ii) by mistakes or other failures of the department:**

It is not possible to provide this answer as this would require each claim with an overpayment to be looked at manually and potentially over several years' history to ascertain the breakdown requested.

(c) Whether these overpayments are classed as debt owing to the States or otherwise accounted:

Overpayments of Income Support are classed as debt. Article 13 of the Income Support (Jersey) Law 2007 gives the Minister the power to require them to be repaid and allows for proceedings for recovery of the amount overpaid to be instituted by the Treasurer of the States. The powers under Article 13 have been delegated by the Minister to officers of Customer and Local Services.

(d) How the department takes into account that all overpayments are not always the fault of the recipient but can be caused by mistakes or failures of the department in how it handles cases:

Regardless of the cause, in all cases where there has been an overpayment and a household has received more benefit than it is entitled to, it is essential for the overall fairness of a tax-funded benefit system that money is paid back.

In the majority of cases, when earnings increase, many overpayments are paid back immediately and in full, however, where hardship cases are evident the department will work with a claimant on a considered repayment plan to minimise any potential hardship to the household.

(e) How does the department recover overpayments, to what extent does it consider ability to pay, and over what periods does the department recover these sums:

As in (d) payments are recovered in full in the majority of cases, however, the Department's policy of allowing the money to be repaid via a small daily adjustment to ongoing benefit allows for the overpayment to be recovered without causing hardship. Each case is considered individually by an officer, who will set a repayment level that recognizes the household's ability to repay.

Officers will consider the household's current income and whether there are any additional costs they face. Officers will also consider any current overpayment or loan repayment on their claim. Taken together these will determine the period over which the overpayment is recovered.

(f) How many individuals have been taken to Court to recover outstanding overpayments each year since 2015 to date:

Where an Income Support claim has closed (e.g. they have secured full time employment) and the individual has an outstanding overpayment, this is moved to an instalment plan so that it can be repaid. If at some point in the future the individual stops making repayments then, as a last resort, this can be referred to court for recovery. Some cases do get paid before the court date.

Year	Summons issued
2020	2
2019	51
2018	64
2017	106
2016	158
2015	103

(g) How many individuals have been prosecuted each year since 2015 to date for fraud in relation to overpayments:

There has been a total of 9 cases taken to court from 2015 – 2020. Prosecution for fraud is a last resort and not taken lightly, the Department will conduct a public interest test ahead of any prosecution. From 2015 to 2020 the Department has successfully prosecuted 9 fraud cases in the court system.

Year	Prosecutions
2015	2
2016	1
2017	1
2018	1
2019	4
2020	0

(h) What the department's policy is regarding writing off overpayments, and in what circumstances this applies:

The Department will in all cases, endeavour to recover overpayments of benefit.

(i) What the Ministers discretion is in dealing with overpayments and to what extent has she delegated this discretion:

Under Article 13 of the Income Support (Jersey) Law 2007 the Minister may recover any award of Income Support that was not properly payable. This power is formally delegated to officers of Customer and Local Services, who act on the Minister's behalf and under guidance approved by her for the administration of the Income Support benefit.

As stated in the answer to (d), it is essential for the fairness of this tax-funded benefit system that households are asked to repay benefit in situations where they are paid more than they are entitled to. According to this principle officers of Customer and Local Services will seek to recover all overpayments of Income Support.