

Determination: States Members' Remuneration

Overview

This report sets out the independent, statutory remuneration reviewer's determination for the remuneration of States Members.

The determination is based on the proposals on which the reviewer consulted the public, States Members and the Minister for Treasury & Resources in September 2023 and the feedback received.

The report also contains some recommendations related to remuneration for the States Assembly to consider, which are outside the scope of the determination.

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Introduction

1. In 2022, new legislation was put in place under which an independent reviewer would determine the remuneration of States Members' once each parliamentary term. In February 2023, I was appointed by the States as the independent, statutory States Members' Remuneration Reviewer.
2. On 11 September 2023 I published proposals and sought feedback from States Members and the Minister for Treasury and Resources, as required by statute, and from the public.
3. In total I received 73 responses to the consultation. Of these, 60 came from members of the public, one from a former States Member, one from a person who identified as a former or potential future candidate and 11 from current States Members. I am grateful to all who responded to the consultation for taking time to consider and express their views.
4. I am also grateful to those who assisted me in earlier stages of my work, particularly the former Chair of the States Members' Remuneration Review Board, Statistics Jersey, the Jersey Comptroller and Auditor General (C&AG), States Members, various officials involved in the practical administration of the Assembly, States Members' pay or public sector pay more broadly, and the energetic Digital and Public Engagement team at the States Greffe.
5. This document summarises the key points made by respondents and sets out my:
 - a. Responses to the consultation feedback and final decisions;
 - b. Formal determination of States Members' remuneration;
 - c. Recommendations for the States Assembly to consider on other matters with implications for States Members' remuneration.

Jennifer Long

States Members' Remuneration Reviewer

16 October 2023

Context for the determination

What I consulted on

6. In the consultation, I briefly summarised the work of the States Assembly and what that translates into day-to-day for States Members. I also attempted to describe some of the special features of Jersey's parliament. The aim of doing this was to explain for those less familiar with the Assembly some of the important behind-the-scenes work States Members do.
7. I concluded that from a remuneration perspective, the role is full-time and difficult to combine with other significant professional commitments. I indicated that I had focused on the role that all States Members play in relation to the 'core' functions of passing legislation and scrutinising the work of government, not the range of other roles that some States Members additionally take on. I also noted that the size of the Assembly was slightly larger than that indicated by international comparisons, and that proposed in the winning option of the 2013 referendum, and that the number of States Members had an impact on the overall cost of their remuneration to the taxpayer.
8. In the consultation document, I summarised the particular challenges in benchmarking and updating politicians' pay based on experience in many jurisdictions internationally. I set out the principles I intended to use in making my decision. I also explained why I considered it important to consult the public on the approach, rather than the specific amount, given that people tend to relate the pay of politicians to their own income when deciding what the right amount should be. I set out what States Members are currently paid, and invited any comments on that description.

Consultation feedback

9. Not many people commented on the description of the role of States Members. However, some respondents pointed out that political parties do exist in Jersey, and that many candidates are part of political parties even if the majority of the current States Assembly are not. A few people debated whether it really is a full time role. Arguments in this regard included the reductions in the number of sittings of the full Assembly, the variable attendance records of individual States Members, and lack of individual responsibilities or deliverables associated with the role. Some referred back to a time when it had been possible to combine being a States Member with full time employment elsewhere, and noted that the role had historically been unpaid.
10. Some respondents felt that the work States Members do was not well understood by the public and so not sufficiently appreciated or valued. Comments included:

“The States Assembly and its Members play a vital role in the democratic success of Jersey.”

“I have believed for a very long time including during my own public sector career that we do not value our elected politicians correctly in terms of their remuneration”.

11. However, by contrast some respondents felt very frustrated by what they saw as failures by the States Assembly, with the handling of the hospital development project being specifically cited in several responses. One commented:

“They are not value for money, especially with their bad choices regarding hospital planning expenditures this past five years.”

12. Several respondents expressed concern that the financial profile of current States Members could lead to conflicts of interest, and this fed through into a feeling expressed by some respondents that some States Members were mainly interested in the position to serve their own financial interests. Comments included:

“If you look at the declarations of interest for current and previous states members, most have businesses or act as landlords. This means that they have an inherent conflict of interest in several areas of political life.”

“These individuals are often under-qualified and just get into politics to benefit themselves and their friends’ property portfolios.”

13. Quite a few respondents commented on the size of the States Assembly. As I will explain further below this was in part because some of my proposals had clearly led to confusion that I was recommending a change in the size of the Assembly, which is not the case. However, it is noteworthy that where people did comment they were generally concerned about the possibility that the size of the States Assembly might increase, and some actively supportive of a possible reduction in the number of States Members, though opinions differed as to whether this should then lead to significant increase in pay. Comments included:

“It seems that there are too many states members compared to other, more efficacious, territories.”

“It’s very important that until the assembly is right sized pay should remain lower than jurisdictions with more appropriate (smaller?) per populace government.”

“Under no circumstances should the number States Members be increased.”

“Only if a reduction in States Member numbers forced Members to adopt a more strategic role could it be argued that their role had expanded to justify higher pay – which is aspirational at best.”

14. In terms of the approach to determining States Members’ pay, many who commented were supportive. For example, one respondent agreed that it would not be useful to consult the public about the specific figure States Members should be paid, saying:

"This is especially important in Jersey because there is such a low level of public awareness about what states members do. I have seen fairly high profile public figures not understand the difference between the government and the States Assembly more generally. I therefore don't think many people would have enough information to make an informed suggestion about payment level."

15. However, there were also some different approaches proposed. A respondent who had formerly been a States Member argued that more attention should have been paid to the resources available to support States Members, particularly in relation to Deputies who are not Ministers. This respondent argued that such Deputies do not have an office or administrative support provided (unlike Ministers who can draw on government offices and civil servants, or Constables, who can use the Parish facilities). Several respondents felt that there should be a form of 'performance-related pay' for States Members, noting that this is common for other workers. Some of those respondents argued that this would differentiate between those who take on more responsibilities and work very diligently, and those who do less. Others considered it as a means of addressing frustration with perceived failures, such as the hospital development project.

16. A very wide range of views were expressed in response to the information about what States Members are paid now. Some respondents considered that it was already an unjustifiably high amount, either with reference to other lower-paid workers, or in some cases arguing that the role should return to being honorary. The following comments indicate the range of views received:

"They are vastly underpaid!"

"I think their current wage is more than adequate for the lack of progression on many important decisions."

"Somewhat surprised to learn that there are no allowances. Wealthy members must find that much easier than others!"

"With no qualifications required, the starting salary of a politician compared to a teacher is appalling."

"They should not be paid, it should go back to how it used to be when they were not paid and met 1/2 times a month to discuss issues."

"I would agree that the role has become more complex than in the past and in a small community, the pressures and demands of public life must be more immediate. It does also seem to be a more diverse job than in the past, in terms of the subject matter and case work handled."

"I was shocked to learn how little States Members got paid."

My response

17. It is not unusual for people to express frustration with politicians and parliamentary decision-making, as many respondents did. Successes and failures are both very visible to the public and touch on many aspects of people's lives and livelihoods. I note that in Jersey the two most-often-cited sources of frustration were the handling of the hospital development project, and the perception that (despite many recent efforts to increase the diversity of elected representatives) the States Assembly is dominated by one segment of the population who have significant property interests and are therefore perceived as significantly conflicted in many important decisions taken by the States Assembly. Set against this frustration are comments from other respondents who note the often thankless, behind-the-scenes tasks States Assembly Members carry out.
18. I still think it is important to treat the States Member role as a full-time one, even if some are perceived to work harder than others. While some limited external interests may be possible, I do not consider that the role could now be combined with other full-time employment, even if this might have been possible in the past.
19. 'Performance-related pay' is an attractive concept for good reason. But the difficulty comes in working out how it could realistically be implemented. What metrics would be used, who would make the assessment and how? This raises practical and to an extent constitutional difficulties too, as it may involve taking views about the adequacy or legitimacy of political choices and may risk interfering with the democratic process by which the electorate decide who they want to represent them. I do not think it is feasible to formalize performance-related pay for States Members for that reason. However, I note that as one respondent pointed out, there is activity data published in the States Assembly [Annual Report](#), including some at individual States Member level which could inform voters' views about the contribution individual Members make to the States Assembly.
20. As indicated in the consultation, it is not my role to determine the size of the States of the Assembly. However, I note that several respondents saw a reduction in the size of the Assembly as paving the way for a significant increase in individual remuneration, with some specifically referencing the 90th per centile rather than the 70th-75th per centile range I had consulted on. Bearing in mind the twin responsibilities to States Members and to the taxpayers who provide the funding, I do not think there is a case for such an increase for an Assembly of 49 Members. However, I consider that there would be a case for revisiting this assessment if the number of States Members were to be reduced to be better aligned to the experience in other smaller jurisdictions, and if the contribution each States Member makes to the 'core' responsibilities of the States Assembly were better formalised as I have recommended.

21. I was glad to see that some respondents had learned more about what States Members are actually paid from the consultation, and in particular that they do not benefit from 'allowances' which supplement their salaries. As a result, States Members' pay is more transparent, simpler and less open to potential abuse than in some other jurisdictions. I have therefore not taken on board the suggestion to look at the resources available to States Members such as offices and administrative support. There are better processes through which these matters can be considered with proper input from the Greffe and without conflating pay (which rewards States Members personally for the role they carry out) and business costs that enable them to carry out that role.

Key elements of the determination

States Members' salaries

What I consulted on

22. The key proposal on salaries was that in the future States Members' salary should be updated each October by a percentage equal to that year's Average Earnings Index, published by Statistics Jersey, starting from 1 October 2023. I explained my rationale for this based on:
- a. The benchmark range of 70th to 75th percentile of employees' pay established by the former SMRRB, and the fact that by June 2022 States Members' salaries had fallen below this band;
 - b. The greater likelihood that in the current economic climate linking to a benchmark would keep States Members' pay within that range in the years ahead than if forecasts were made now about future trends in earnings;
 - c. The benefits of linking States Members' pay to a transparent and objective statistical series over which Members themselves have no control.
23. I also indicated that one factor in deciding to maintain the reference to the 70th to 75th percentile was the overall cost to the taxpayer of remunerating an Assembly which international benchmarks suggest is relatively large given Jersey's population. I proposed to indicate in the determination that, if the Assembly were to further increase in size the pay of individual States Members should be proportionately reduced. I also sought views on whether if the size of the Assembly were reduced, the resultant savings should at least partly be used to increase States Members' salaries.
24. Finally, I proposed that States Members' should be required to accept their full salary and not be allowed to decline it. This was to ensure that public and political pressure on politicians did

not undermine the purpose of the independent remuneration review, which was to set pay at a fair level that enables people from a wide range of backgrounds to serve as States Members without have access to other sources of income.

Consultation feedback

25. Some respondents saw benefits in the proposed approach. For example, one commented:

“I believe that bringing States Members pay in line with the rest of the island’s pay will bring more options to the election table. Inspiring a more diverse candidate group is vital.”

26. Where respondents expressed concern about the proposed approach, it tended to be more about the question of whether States Members’ pay was already too high, and concern that it might go up further, than about the proposal to link future changes to the AEI. Some respondents did specifically agree that a link to the AEI seemed sensible. Comments included:

“The pay needs to be linked to a recognised formula so that any increases do not have to be debated each year.”

“I believe that it’s entirely proper to update States Members’ pay with the average earnings index.”

“Agree with the wider economy remuneration measure, not the public sector alone.”

27. However, it was clear some others felt that the AEI did not reflect the actual experience of workers in Jersey, arguing that many others had not received pay increases. For example, one commented:

“Now in the Island we have food banks, and people struggling to manage. Huge workforces Teachers and Headteachers going on strike because they have not had an increase, it is disgusting to award such a huge pay award to States Members.”

28. One respondent suggested linking to Gross Value Added (‘GVA’) as an alternative. GVA is a measure of labour productivity published by annually by Statistics Jersey, most recently on 4 October 2023, when data for calendar year 2022 were published.¹

29. It is also important to note that while some respondents considered the 70-75th percentile to be too generous, others called for a significantly higher reference point to be used. The case for a higher range was often supported by the argument that it would enable and encourage a higher calibre of candidate to stand. For example, one commented:

“...at the current level [of pay], or even 7.7% higher, it is difficult to attract candidates with the best experience and expertise as they would be able to draw a larger salary elsewhere. When those people do go into the States Chamber, they have secondary sources of income. Therefore my suggestion is: Members' remuneration should be significantly increased, once

¹ See ‘[Measuring Jersey’s Economy: GDP and GVA – 2022](#)’

elected a Member cannot have a second job, perform consultation work, receive income from sources that could impact the way they vote in the Chamber. In this way, a greater number and quality of candidates could be sought and elected, and Jersey would be governed better.”

30. One other respondent noted that States Members did not have other benefits as those in some parts of the private sector often do. This respondent noted that the statistical earnings benchmarks do not take account of other components of remuneration and so comparing with them might disadvantage States Members in terms of overall remuneration.
31. Many respondents were clearly confused by my proposals about the relationship between individual States’ Members pay and the overall size of the Assembly. Some thought that I was proposing to increase the size of the Assembly, and/or that such an increase would in turn lead to an increase in each Member’s individual pay. Others questioned whether it was reasonable in principle to make a link between the number of States Members and the pay of individuals. That said, there was some support in particular for the idea of providing that the pay of individual States Members should be reduced if the size of the Assembly were to be increased, with some of those respondents clear that they would not support such an increase in the size of the Assembly.
32. Many of those who commented supported the proposal to require States Members to accept the full salary payable, with some of those recognising that this could be useful in dealing with pressure on individuals not to do so. Some were not clear whether this had been a big issue in Jersey, but one respondent said they had been aware of examples of such pressure and therefore supported the proposal. However, some respondents considered this was infringing on States Members’ freedom of choice, and some others welcomed the chance to make a saving on any unclaimed portion of the salary.

My response

33. As discussed above, I do not think that there is a case at the moment for a fundamental ‘re-set’ of States Members’ pay which would take it above the band of 70th-75th percentile established by the SMRRB unless a reduction in the size of the Assembly made that more affordable and the ‘core’ responsibilities of States Members were more formalised than now.
34. Linking States Members’ pay to AEI now would bring States Members’ salaries back within the 70th to 75th percentile band, which I do consider to be important and necessary.
35. I understand why some respondents drew attention to the impact of the cost of living increase on many in Jersey. However, it is important to be clear the pay offer to teachers in 2023 at 7.9% of salary was higher than that being offered to States Members, who themselves are not immune from facing pressure from the cost of living. It is also important to be clear that while not every individual may have benefitted from an increase in earnings in the last year, the AEI

is based on factual data about the average change in employee earnings in Jersey in the year to June.

36. I can see why GVA was suggested, perhaps as a means of achieving the 'performance-related pay' some respondents wanted. However, there are several reasons why I consider it less suitable for the purpose of updating States Members' salaries than AEI. These are:
- a. AEI is specifically designed to measure changes in earnings, while GVA is derived from many factors in which changes in earnings play only one part;
 - b. GVA is published with a nine-month rather than a three-month time lag after the period to which it relates, making it less relevant to current economic conditions than AEI;
 - c. The GVA data first published are reasonably regularly subject to revising the following year, which could prompt a debate about which figure is the appropriate one to use; and
 - d. GVA has in some years fallen sharply at times where nominal earnings as shown by AEI (that is, not taking the effect of inflation into account) have still been rising, even if by lower amounts than the previous year.
37. Given the degree of support for AEI as the mechanism by which to update salaries in the years ahead, notwithstanding the fact that some consider no updating at all to be warranted, I plan to go ahead with the proposal as consulted on. I discuss the timing of the change in another section below.
38. As noted above, I am neither proposing nor recommending an increase in the size of the States Assembly. But it is not my decision. Although I am not aware of any current intention to do so, the States Assembly could choose to enlarge its numbers. I saw no evidence of public support for any such increase in numbers, or support for the resultant increase in the overall paybill for the States Assembly. So I consider that as a safeguard, the determination should include a provision that if the number of States Members were to be increased, with effect from the date of the increase the salary of each individual Member would be decreased proportionally. I recognise that this would not be a sustainable basis on which to decide individuals' remuneration. But it would provide a check and balance for taxpayers until the next substantive independent review had the opportunity to make a new determination.
39. Having considered the feedback I have not included any provision for an automatic increase in States Members' salaries if the size of the Assembly were to reduce. However, I think a further reduction in the size of the Assembly could make it easier to justify revisiting the benchmark per centile band to which States Members' salaries were pegged in future.

States Members' pensions

What I consulted on

40. In relation to pensions, I proposed that from 1 October 2023 the 'employer' contribution for States Members should be aligned with the 16% received by other public servants, rather than being set at 10%. This reflected the fact that States Members do not receive other types of remuneration (such as bonuses), which are more common in the private sector, so the public sector was a better comparator their pension arrangements. I also proposed that the employer and employee contribution rate should be aligned to other public servants, with measures to ensure that there would be no conflict of interest if it were decided to reduce the employee contributions or increase the employer contribution for other public sector workers.
41. I also proposed that States Members should be given a presentation at least annually on the benefits available through the pension scheme, with the aim of facilitating take-up of this important benefit.

Consultation Feedback

42. It was clear that some respondents' concerns stemmed from (quite understandably) not having a clear picture of how States Members' pension arrangements work.
43. For example, one commented "Just why should these members be given a pension after just one or two terms. Totally out of touch with reality..." Several other respondents had understood that any States Member who served, even if only for a short period of time, would therefore be 'paid a pension' for life. As explained further below, this is not the case.
44. Others expressed concern about the cost of perpetuating 'defined benefit' arrangements.² It is important to clarify that, unlike other public servants in Jersey, the pension arrangements for States Members are on a 'defined contribution' basis. The proposals were to align the contribution amounts only between States Members and other public servants, not the nature of the pension arrangements or benefits.
45. The way States Members' pensions work is that both States Members themselves and the public purse pay in an amount which is a proportion of their salary to an investment pot. The public purse contribution is only made during the period in which the individual is a States Members, and stops when they cease to be a member of the States Assembly. Individuals can continue

² 'Defined benefit' pensions aim to give an indication of what pension a member can expect to receive in return for the contributions paid in, often linked to their average or final salary and the number of years worked. A 'defined contribution' scheme is one where the contributions paid in are invested with the aim of building a pot that can be used to fund retirement, but without any commitment to provide a specified level of pension.

to pay in their own money after they have left the Assembly if they wish to do so. The amount a States Member will receive at retirement depends on the amount paid in and the extent to which the investment grows in the meantime. There is no commitment that they will receive any particular amount.

46. There were mixed views expressed about the proposal to align the contribution rate to that of public servants. Many respondents agreed that this was fair. However, many other respondents pointed out that unlike in some other jurisdictions there is no mandatory pension provision for private sector workers in Jersey. As a result, these respondents argued that it was unfair to align States Members' contributions to those of a portion of the population who did have access to pensions, when others did not. One respondent considered that the rise in pension contributions was proposed as a way to award a higher overall pay increase, which that respondent considered was not justified.

My response

47. I have tried above to address some of the misunderstanding of States Members' pension arrangements that was evident in the consultation. It seems to be me quite understandable that some respondents expressed concern about the lack of a right of access to a workplace pension for workers in Jersey. However, many individuals do have pensions and/or, as some respondents pointed out, other forms of benefit or remuneration that are not available to States Members.
48. Given various practical complexities, including the potential for States Members to serve short terms with gaps in service, I have not sought to completely align the arrangements for their pensions with those of public servants. But I do consider it appropriate to proceed with the proposed alignment of 'employer' pension contributions at 16%, subject to the safeguards on changes to that percentage consulted on.
49. I have also maintained the recommendation for presentations to States Members to facilitate take-up of the pension scheme.

Loss of office payments

What I consulted on

50. The other main proposal related to the 'loss-of-office' payments made to States Members who stand for election unsuccessfully. I proposed changes that would cap the payments made to a month's salary per year of service up to a maximum of four years, but also add a month analogous to the month's notice included in Jersey's statutory redundancy framework for employees. I proposed that these changes should take effect after the next election in 2026, because I did not consider it fair to change the arrangements for existing States Members' mid-

term. By way of transition, and in order to address the understandable but undesirable incentives for States Members to stand for election without wanting to win, I proposed that for the 2026 election only, States Members who as of 1 January 2026 would have 19 or more years' continuous service in their most recent period of service, and are still serving the day before the election, would also be eligible to receive the payments if they stand down without seeking re-election.

Consultation Feedback

51. A lot of respondents commented on this proposal. Many considered that there was no case for any loss of office payment. Some of these respondents made an analogy to the acceptance of a fixed term contract, while some others were more of the opinion that States Members did not "deserve" to be given any more money in any form, whether as salary, pension or loss-of-office.
52. Of those who commented on the specific proposals in relation to loss of office, the majority supported the proposed approach and the logic behind it. However, a few did not. For example, one respondent considered that the 'cut-off' for eligibility to receive a loss of office payment without standing for election (under the proposals for the 2026 election) was arbitrary and hence unfair to those with still significant, though shorter periods of service. Another asked for the impact of extending the eligibility to those with shorter periods of service be considered. One other respondent was unsure whether the proposals would apply to individuals with a period of service as a Deputy who stood unsuccessfully as a Constable, or vice versa.

My response

53. I consider that there is a case for a proportionate payment to be made to those who serve as States Members and then stand unsuccessfully for election. There are analogous provisions for those on fixed-term contracts of over two years in Jersey. In the interests of clarity and maintaining the analogy to the terms for other workers, I propose to explicitly retain the requirement introduced by the SMRRB that loss of office payments should be payable only after two years' continuous service. Noting that there were few substantive concerns about the 'post-2026' approach to calculating the amount of the loss of office payment, I intend to include it in the determination.
54. In the light of the consultation responses I did consider whether to keep or change the proposed transitional approach for the 2026 election. I considered the cost of extending the eligibility of those able to benefit from the payment without standing for election to those with 15 or more years' service, rather than 19 or more (that is, all elected in or before 2011). This would bring four more individuals within the scope of the arrangements in addition to the original six. Unfortunately, the cost impact would be significant.

55. Under the original proposal, I estimated that under a plausible scenario based on the actual results in 2022 and data on the profile of current States Members, the cost of the loss-of-office payment would be 60% higher than under the existing approach. I considered this justifiable given fairness considerations to those with the longest service, the benefits of reducing the incentives to stand without wanting to win, and the fact that the proposed approach after the next election would, under the same scenario, significantly reduce the overall cost of loss-of-office payments.
56. Depending on assumptions about how many of the additional members eligible would take the payment, the increase relative to the previous system could rise to between 80% and 116%. Clearly, extending further to those with service since the 2014 election would raise the increase in cost even further.
57. I do not think this is justifiable. The fairness argument which was the basis of departing from the original position where payments were made only to those who stood for election related to the combination of the significant length of service and lack of availability of pension arrangements for the longest serving members. That is a harder case to sustain for those who have had pension arrangements in place for proportionately longer of their service, and will have access to them if re-elected.
58. I also considered whether to reduce the payments made to individuals in order to justify and enable the funding of eligibility for more States Members. I concluded that the only way to do this would be to make the loss-of-office payment lower for those who did not choose to stand than for those who did. This seemed to me not to address the underlying mischief, as there would remain a financial incentive particularly for those with the longest service to stand, in order to receive the higher payment. And I did not think there was a sufficiently strong case on fairness grounds to do so.
59. Consequently, I have decided to maintain the proposals consulted on, both in relation to the 2026 transitional arrangements and for subsequent elections. I have clarified that service as either a Deputy or Constable (or, formerly, Senator) or any combination of these would be taken into account in determining the length of the period of continuous service.
60. I recognise that some States Members will be disappointed with this decision and would encourage them to remember that the loss-of-office payment is only one element of the overall remuneration package.
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Other elements of the proposed determination

61. This section covers the other proposals I consulted on that were intended to form part of the pay determination on which I decide.

Transition for new States Members

62. I set out some of the financial challenges those who successfully stand for election can face, and the importance of providing clear and timely information and assistance to support them through that period. I proposed that the advance planning and communication that took place before the 2022 election should be continued.
63. Not many people commented on this point. Some of those who did felt that States Members ought to be able to navigate this change for themselves. However, other respondents considered it fair for them to receive some support and one States Member asked for thanks to be passed on to those staff who had assisted with the election transition in 2022.
64. I have maintained my proposal on this point.

Impact of election timing

65. I flagged that the 2022 election was moved from the customary May to June because of the large number of public holidays, but in 2026 could revert to May or otherwise not be exactly four years after the last election. I sought views on any issues to be considered in drafting the determination to ensure that it did not create incentives to hold the election on a particular date, or cause States Members to lose out unduly through technicalities.
66. Only a few respondents commented on this point, and those who did so commented more on when in the year they thought the election should take place than on any technical issues to be borne in mind.
67. I have borne the potential uncertainty in relation to timing in mind in the specification of the eligibility for loss of office payments in 2026, but have not otherwise identified any new issues from the consultation.

Timing of proposed changes

68. As required by the Act, I also consulted on when the various changes should take effect. Many respondents did not comment on this question. Of those who did, a number agreed with the proposed timings, while others sought to defer any increase for as long as possible, or considered the changes should “never” be implemented. A few respondents considered that at least some of the changes should be backdated. One considered that pension contributions should be backdated to make up for the fact that many States Assembly members had served for a long period without receiving pension contributions. Another considered that the salary uplift should be updated to the last election. A third considered that changes should only be implemented after the pay dispute with teachers had been settled.

69. As a result of the feedback, I considered whether any changes should be backdated. I am empowered under the Act to backdate changes to the 2022 election. In relation to pension contributions, I note that while the pension was established in 2020 in line with the recommendations of the SMRRB, the SMRRB had previously recommended such a scheme in 2015 but that proposal was debated and did not receive the necessary support from the States Assembly. It would be immensely complex from an administrative and taxation point of view to try to backdate any pension to a prior tax year, and in any case the Act would only allow me to backdate any change to June 2022, not to the start of service. I therefore consider it is appropriate instead to focus in implementing the uplift in the employer contribution as soon as possible within this tax year.
70. In relation to the salary uplift, I don't think there is any case for backdating an uplift which derived from the June 2023 data to 2022. States Members did receive a salary uplift of 4.1% in June 2022.
71. However, I do think that there is a case for an initial salary uplift to take effect earlier than I had originally proposed, for two reasons. First, even after the uplift in 2022, States Members' salaries were below the 70th-75th percentile earnings band. Second, focusing the change this year on salary rather than pension ensures that all States Members benefit, not only those who are pension scheme members.
72. In the final determination I have therefore changed the timing of the initial changes to the salary, and to the employer pension contribution as follows:
- a. The first change in line with the 2023 AEI will take effect from 1 June 2023, rather than 1 October.³ That is one year after the last change to States Members' salaries. In subsequent years, the adjustment will be made with effect from 1 October.
 - b. In order to partially offset the cost of that change, the increase of the employer pension contribution from 10% to 16% of salary will take place with effect from 1 January 2024 rather than 1 October 2023.
73. I also considered whether it was appropriate to wait until all public sector pay negotiations relating to 2023 were concluded before making the changes. I determined it was not. Most other public servants have already received a pay award for 2023, which started with effect from 1 January 2023. There is no case for making States Members' remuneration dependent on the remainder, and in any event the benefit of doing so would be likely lost as next year's negotiations will soon start.

³ It will consequently increase the value of the 10% employer pension contribution from 1 June 2023.

Other recommendations

74. This section covers the recommendations I consulted on that have an remuneration dimension but are properly for the States Assembly itself rather than the remuneration reviewer to decide.

Governance and the States Employment Board

75. To reduce any actual and perceived conflict of interest where States Members' remuneration is determined with reference to the public sector, I recommended that the composition of the States Employment Board should be changed before the next remuneration review to add in some non-States Members and ideally remove those States Members who are not also members of the Council of Ministers. I noted that such a change would be consistent with the other recommendations for reform of the SEB that have been made by Jersey's Comptroller and Auditor General (C&AG).⁴

76. Not many respondents commented on this point. Of those who did comment, a few considered the States Employment Board to be properly constituted already. More of those who commented agreed that it would be beneficial to include some external expertise, although not all of those respondents considered that it was therefore necessary to remove States Members, or to remove only those who are outside the Council of Ministers. One argued that there was just as strong a case for recommending the removal of States Members who are in the Council of Ministers in order to reduced the perceived risk of politicisation of the civil service.

77. I can see the merit in respondents' questions about whether it is necessary to remove States Members if external members are also added and whether this should best be those inside or outside the Council of Ministers. From a remuneration perspective the priority is the inclusion of independent, external expertise. I therefore continue to **recommend that independent, external members with appropriate expertise be added to the SEB**, noting that for different reasons this has also been recommended by the C&AG.

⁴ In paragraphs 2.3 and 2.4 of her report *Role and Operation of the States Employment Board*, the Comptroller and Auditor General commented: "SEB is comprised of elected politicians who do not necessarily have previous experience of or expertise in oversight of human resources. ... by statute SEB comprises only members of the States Assembly. The election cycle means that there is a risk that many of the five members will cease to serve on SEB at the same time, threatening an important element of knowledge and continuity in the activities of SEB. This risk materialised in 2018 when, following the election, the entire membership of SEB changed. Provision for independent lay members with relevant skills and experience for executive boards is not unusual. Doing so in the context of SEB might strengthen its capacity and also reduce the risks of substantial changes in membership at the same time".

Ministerial pay

78. Jersey's legislation requires that all States Members be paid the same salary. I noted that Jersey is unique among a wide range of international comparators in not paying its ministers an additional salary related to that role. I noted that it is not within the remuneration reviewer's power to override the legislation, but it is within the power of the States Assembly itself to change the legislation. I strongly recommended that the Assembly makes such a change before the appointment of the next remuneration reviewer after the next election. I also recommended that if an additional salary were paid to Assistant Ministers, it should only be paid in cases where a formal delegation framework were in place indicating the extent of the Assistant Minister's additional responsibility.
79. Quite a few respondents agreed with this proposal, typically referencing the additional responsibility that Ministers take on. Some considered it "ridiculous" and "idiotic" that ministers did not currently receive some extra pay, with one describing it as "frankly a farce that the back bencher gets paid the same as the Chief Minister". Some of those also made a case for consideration of additional payments for certain other roles, in particular chairing Scrutiny Panels. However, others considered such a distinction not to be justified. Some of these respondents were of the opinion that States Members were already overpaid and so no further remuneration was justified. One respondent considered that ministerial pay was a government function and decision, and so should not be discussed within this review. Another considered that if a differential was needed it should be achieved by reducing the salary paid to non-Ministers. One said the idea was good in theory, but in practice would lead to patronage.
80. I think it is important for the States Assembly to recognise what an outlier Jersey is in not giving any additional remuneration to its Chief Minister or ministers. It is for the States Assembly and the Council of Ministers to determine the appropriate vehicle (legislative and budget line) for any change, but I do consider it important for the States Assembly as a whole that they do so. The current arrangements do not reflect the additional responsibilities carried by Ministers. I can also see merit in the proposal made by several respondents that an additional salary should be paid to the chairs of Scrutiny Panels and PAC, reflecting the additional responsibility the role involves. However, it is clear that such a change would be contrary to the current Act, and I would propose that the legislation is amended to allow for the possibility to be considered in future remuneration reviews.
81. Amending the Act to allow for the payment of an additional salary for certain, specified roles can be done in a way which maintains the general principle that all States Members are otherwise paid the same rather than, for example, having remuneration linked to length of service or other factors. The legislation could provide for the States Assembly itself to determine the roles for which additional payment would be provided, or it could invite the next remuneration reviewer to do so.

82. I therefore maintain my **recommendation that the States Assembly amend the legislation to allow for additional remuneration to be paid at least to Ministers and, potentially, to such other roles such as chairing a Scrutiny Panel, as may be deemed appropriate by the Assembly or by the remuneration reviewer.**

Participation in the scrutiny function

83. In the consultation I explained the importance of the scrutiny function that the States Assembly carries out alongside its legislative role, through the five Scrutiny Panels and the Public Accounts Committee (PAC). The scrutiny function provides assurance to the public about how the Council of Ministers is carrying out its responsibilities and as such is a core part of States Members' roles, but one that not all non-ministers participate in. I recommended that the States Assembly consider amending its Standing Orders before the 2026 election to require all non-ministers to participate in either the PAC or a Scrutiny Panel.

84. There was quite a lot of support for this proposal. Example of the reasons given are:

- a. "Scrutiny is an essential component in satisfying the electorate that States Members' remuneration is not excessive (or thought to be excessive)".
- b. "All States Members should be encouraged to play a part in running the Island and if that is not as a Minister then it should be with some involvement in either Scrutiny or the PAC."
- c. "Scrutiny etc. is part of the job ... Every job has a juggling act of priorities."

85. However, not everyone agreed. One respondent commented:

- a. "It seems draconian to oblige this. Some members may wish to concentrate on constituency and case work, especially if they have busy and poorer/more complex constituencies."

86. One respondent agreed that it was important to ensure that the scrutiny function worked effectively and suggested that even if participation were not required for all, it would be encouraged and facilitated if each member spent a term as a member of a scrutiny panel or PAC, and if the task of finding/selecting members were not left solely to the relevant panel chair but involved the whole Assembly. Another respondent requested clarification as to whether I intended this recommendation to apply to constables as well as deputies. Another respondent was unsure whether I was suggesting additional remuneration for those who participated.

87. On balance, I have decided to maintain my **recommendation that the States Assembly consider amending its Standing Orders so as to make participation in at least one scrutiny panel or the PAC compulsory.**

88. By way of clarification, my recommendation is that this obligation should extend to all States Members, whether deputy or constable, who are not chief minister, ministers or assistant ministers. I am not recommending that this should result in any additional remuneration payable, which in any case would be contrary to the existing statute requiring all States Members to be paid the same. The aim instead is to clarify the nature of the role that the States Member salary is intended to remunerate. While I realise that not all who are technically members of a panel or committee may participate as actively as others, some data on the extent of individuals' participation would be available through the States Assembly Annual Report referred to above.

Formal determination: States Members' remuneration

1. In February 2023, I was appointed by the States as the independent, statutory States Members' Remuneration Reviewer, under the States of Jersey (Amendment- Remuneration of Elected Members) (Jersey) Law 2022 ('the Act').
2. On 11 September 2023, I launched a consultation of all States Members and the Minister for Treasury and Resources, as required under the Act. At the same time, I launched a public consultation. My proposals were set out in a published consultation document. The document set out, as required by the Act, my proposed changes to States Members' salaries and pensions, when those changes should take effect, and the reasons behind the proposals. They also contained proposals on loss of office payments, an area the Privileges and Procedures Committee had requested me to examine. The document also contained proposals on other aspects of remuneration, as provided for in the Act, and recommendations on matters which I consider are properly for the States Assembly itself to determine, but which have a remuneration dimension to them.
3. In the first part of this document I have explained how I have taken account of the feedback received in my final decisions. In this part I set out my formal determination in relation to States Members' remuneration under paragraphs (6) and (7) of section 44A of the Act, as follows:

States Members' salaries

4. States Members shall be entitled to receive a salary from the date on which they are sworn in following each election. The salary, which immediately prior to this determination was £50,000 per year, shall be paid to States Members monthly in arrears.
5. The salary for each States Member shall be increased each year, in line with the Average Earnings Index ('AEI') published that year by Statistics Jersey.
6. The first adjustment shall be made with effect from 1 June 2023.
7. The second adjustment shall be made with effect from 1 October 2024, and each 1 October annually thereafter.
8. States Members shall be required to accept the full salary and any increases to that salary to which they are entitled.
9. If at any time before the next statutory determination is made the number of States Assembly Members increases from its current level of 49, the salary of each States Members shall be

reduced proportionately from the date at which the change in the number of Members takes effect, such that the overall total of the salaries paid to States Members is unchanged.

10. The reasons for this determination are:

- a. States Members' salaries have fallen below the range of 70th-75th percentile of earnings in Jersey established by the SMRRB.
- b. This adjustment will take effect one year after the last change to States Members' salaries and will bring States Members' salaries back within that range.
- c. It also provides a transparent mechanism for updating the salary in the period until the next review in which there is considerable uncertainty about how earnings for employees in Jersey will evolve, based on objective data about the change in employee earnings in Jersey.
- d. Updating States Members' salaries in October minimises the gap between when the data underlying the AEI is published and making the change while also allowing administratively for payroll changes to be made after the data is published in late August. It is also the period of the year where it is most likely that the current year's public sector pay negotiations have concluded, and before negotiations in relation to the subsequent calendar year begin.
- e. States' Members shall be paid monthly in arrears and shall not be permitted to decline the salary to which they are entitled so that they have access to a regular income from their office without recourse to additional means of income, ensuring that a wide range of candidates are able to stand for election without undue financial hardship.

States Members' pensions

11. The 'employer' contribution to States Members' pensions shall be increased from 10% to 16% of the States Members' salary applicable at a given time.
12. The increase shall take effect from 1 January 2024.
13. If the employer contribution to other public servants is reduced before the next reviewer's determination, States Members' 'employer' contribution shall be correspondingly reduced. However, even if the employer contribution for other public servants is increased, the contribution for States Members' shall not exceed 16% of their salary at that time.
14. If any increase is made to the employee contributions required for non-uniformed public servants before the next reviewer's determination, the employee contributions applicable to States Members shall increase accordingly. However, even if the employee contribution for

other public servants is reduced, the contribution for States Members' shall not be reduced below 7.75%.

15. The reasons for this determination are:

- a. the structure of States Members' remuneration is more akin to that of public sector workers than private sector workers, with the latter more likely to receive additional components of remuneration;
- b. other public sector workers receive a pension contribution of 16%;
- c. alignment between the two seems fair to States Members and should be achieved as soon as possible, while prioritising funding for the update to States Members' salaries in 2023 because this benefits all States Members, not only those who are pension scheme members;
- d. it avoids the administrative cost and complexity of attempting retrospective changes to pension contributions and therefore potentially tax obligations;
- e. it contains provisions to limit the possibility for any actual or perceived conflict of interests arising from the impact on their own pensions, where States Members make decisions about the pension contributions of other public servants through the SEB or the passage of legislation.

Loss of office payments

16. Serving States Members who stand unsuccessfully for election to the States Assembly as either Constable or Deputy in any parish or constituency shall be entitled to the following payments, to be paid by the end of the month following the date of that election:

- a. One month's salary per year of continuous service in the States Member's most recent term of service, up to a maximum of four years; plus
- b. One month's salary.

17. To be eligible for the payment indicated in paragraph 16, a States Member needs to:

- a. Have completed at least two years' continuous service in their most recent period of service in any constituency or parish;
- b. Be serving as a States Member, whether as Constable or Deputy, on the day before the election and a candidate at that election.

18. Notwithstanding paragraph 16, for the next election after the date of this determination only, States Members who either:

- a. Stand unsuccessfully for election to the States Assembly as either Constable or Deputy in any constituency or parish and on the day before the date of the election

have two or more years' continuous service as a States Member in their most recent period of service in any constituency or parish; or

- b. Have, or would have, 19 or more years' continuous service as a States Member in their most recent period of service on 1 January 2026 and remain a States Member on the day before the date of the election, regardless of whether they are a candidate at that election,

shall be entitled to receive one month's salary per four years of continuous service in their most recent period of service.

19. In making the calculation of the payment under paragraph 16 or paragraph 18:

- a. the salary shall be the States Member salary determined in accordance with paragraph 4 to 7 above applicable on the day before the relevant election or, if the election takes place after 1 October in a given year, the States Member salary determined in accordance with paragraphs 4-7 above that was applicable prior to 1 October of that year;
- b. where a States Member has a period of service that is not a complete year, the payment shall be pro-rated to the length of the period of service;
- c. any continuous service as a States Member in the most recent period of service shall be counted, whether as Deputy, Constable or (formerly) Senator, or a combination of these.

20. The reasons for this determination are:

- a. A transitional arrangement has been put in place to avoid changing the basis for loss-of-office payments mid-term, and to reduce the incentive for current States Members with the longest service to stand as candidates without wishing to serve. The transitional arrangement takes account of the fact that those long-serving States Members have until recently not received any pension benefit or related tax advantages.
- b. The revised basis for calculating loss-of-office payments in subsequent elections is to include a provision for notice analogous to that included in Jersey's statutory framework for employees which recognises the fact that States Members choose whether to stand every four years, and to provide them with payment in lieu of notice for the month following the election.

Other matters

21. The States Greffe, in collaboration with any other relevant authorities, should provide information to candidates for election to the States Assembly about:

- a. the remuneration of and tax arrangements for States Members;
 - b. the timing envisaged for swearing in States Members after the election, and any induction period;
 - c. the date on which they would receive their first monthly salary payment.
22. The States Greffe, in collaboration with the chosen pension plan administrator, should provide at least one information session annually for States Members who are not members of the pension scheme to provide information about the scheme benefits and information for those wishing to join.
23. The current arrangements whereby States Members are reimbursed for their Class 2 Social Security contributions and receive an additional 20% of that amount to compensate them for the taxation of that reimbursement as a benefit in kind should continue unless Revenue Jersey ceases to treat the reimbursement as a benefit in kind.