

Consultation: States Members' Remuneration

Overview

For the first time, the pay of States Members will be decided entirely independently. This consultation seeks your feedback on the independent remuneration reviewer's proposals.

This document explains what States Members do, what they are currently paid, and the independent remuneration reviewer's proposals for the future. It seeks your feedback on the questions set out in the document. To give your feedback, please follow [this link](#) and fill in the online survey by Tuesday 3 October. You can find a summary of the questions for consultation at the end of this document.

Personal data submitted with your consultation response will be handled in accordance with the [States Greffe's privacy policy](#). It will be shared with the Statutory Remuneration Reviewer for the purpose of carrying out this review.

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Introduction

1. Before 2022, recommendations on the pay of States Assembly Members were made by the States Members Remuneration Review Board (SMRRB). Although it rarely happened, States Members could object to these recommendations, meaning that they would not be implemented.
2. In 2022, following a review of international practice undertaken by Dr Hannah White in 2020, the system was changed and new legislation put in place under which an independent reviewer would be appointed in the year after each election. The reviewer would have the responsibility to determine States' Members' pay through a report to be made within a year of appointment. Under the legislation, the States Members have no powers to object to the reviewer's findings, or to prevent them from being implemented.
3. In February 2023, I was appointed by the States as the independent, statutory States Members' Remuneration Reviewer.
4. Since my appointment, I have reviewed the extensive data gathered by the SMRRB and gathered new and updated information. I have met with the former Chair of the SMRRB, Statistics Jersey, the Jersey Comptroller and Auditor General (C&AG), States Members, and various officials involved in the practical administration of the Assembly, States Members' pay or public sector pay more broadly. I am most grateful to all who have given their time and expertise.
5. This document sets out my proposals for consultation and seeks to explain how and why I have arrived at them. I will consider the feedback received before arriving at my final determination. All members of the public and organisations are very welcome to comment on the proposals using the online survey.¹ As required by statute, I will also be inviting views from the Minister for Treasury and Resources and all States Members on these proposals.

Jennifer Long

States Members' Remuneration Reviewer

11 September 2023

¹ <https://www.smartsurvey.co.uk/s/SMRemunerationReview2023Public/>

What do States Members do?

6. Before considering States Members' remuneration, it is important to understand what they do. The SMRRB in its last determination published a helpful summary of components of the role.² The aim here is to put those components in the context of the role of the States Assembly in Jersey and what that involves for States Members day-to-day.

The role of the States Assembly

7. The States Assembly is the unicameral³ parliament of Jersey, with 49 members.
8. As a parliament, the States Assembly has two core constitutional roles:
 - a. As the 'legislature', it makes laws and approves the associated public expenditure; and it
 - b. Scrutinises government policy and administration.
9. In Jersey, the government (or 'executive') is formed by the election of the Chief Minister and Council of Ministers after the general election, from among the elected States Members.
10. A characteristic of the Jersey system is that the government (comprising the Chief Minister, Council of Ministers, and Assistant Ministers) is always in the minority in the States Assembly. As a result, the government needs the support of other States Members to pass legislation. In some other jurisdictions' systems, the government (or the political party from which the government is formed) is in the majority, and so is assured of being able to secure the votes needed to pass its legislation and to win other parliamentary votes.
11. In Jersey, States Members are also involved in some other functions which would in other jurisdictions not necessarily be undertaken by parliamentarians. These are explained more below.

Becoming a States Member

12. There are two types of States Members – deputies and constables – and hence two routes to becoming a States Member. Deputies are elected in multi-member constituencies, which they then jointly represent with the other members elected for that constituency. A constable ('connétable') is elected to head each of Jersey's 12 parishes, and by virtue of that office

²²² See pages 7 and 8 of *SMRRB: Recommendations for Remuneration Beyond the 2022 General Election*, R.89, 2019.

³ This means that there is one parliamentary chamber. This is quite common in smaller jurisdictions, from Denmark to Luxembourg. Some jurisdictions have two chambers, so are 'bicameral'. This is more common in larger jurisdictions, such as the UK or US.

becomes a member of the States Assembly. Constables are not remunerated for their parish role, but are paid the same as deputies for their States Assembly role.

13. Any individual wishing to stand for election goes through a formal nomination process and will need to campaign. Those standing as constables will often have held other unpaid roles in their Parish, sometimes for a long period, before standing for election as a constable. Whether standing as a deputy or constable, individuals holding certain positions as employees of the States will need to leave that post once their candidacy is formally confirmed, while others are permitted to take a period of unpaid leave for the campaign. Others may need to leave their jobs or reduce their work commitments to campaign without any certainty as to whether they will be elected. Those who are elected typically leave their previous profession entirely behind, or significantly reduce their other work or business commitments. Elections are therefore times of considerable personal and financial uncertainty for candidates, particularly those standing for the first time.
14. A characteristic of the Jersey system is that many candidates stand as individuals rather than as members of formal political parties, and hence stand on an individual platform, with an individual manifesto.

What being a States Member involves

15. States Members hold an office for the four-year term of the parliament. As is typical for parliamentarians in other jurisdictions, States Members are not formally 'employees' and do not have some of the things that often go with being an employee, such as a formalised job description, fixed hours, specified tasks and outputs, or performance review. Their accountability is to the voters who express their view at each election. For practical purposes some aspects of being a States Member function like being self-employed.
16. There are some things that according to the Assembly's rules, States Members must do. States Members must attend the sittings of the Assembly which take place every three weeks and may run from one to four days depending on the amount of business. Members who are not present are required to give a reason. This may not sound like a large obligation, but in some other jurisdictions (such as the House of Commons in Westminster) there is no such obligation to attend, and many members do not attend all or even most sittings. In addition, for any States Member who is presenting a proposition, or an amendment to a proposition, there will be significant preparatory work involved beforehand, and even preparing to speak on a proposition likewise involves preparation. The time spent on this preparatory work is less visible to the public than the sitting itself, which is both open to the public physically and webstreamed.
17. A feature of the Jersey system is that any States Member, not only members of the Council of Ministers, can table propositions to change the law with an equal chance of consideration and success. In many parliamentary assemblies, including the House of Commons in Westminster,

there are very few opportunities for members who are not in government to initiate changes of the law, because the allocation of time in the chamber is controlled by the government and government business is prioritised.

18. All States Members have a mandate linked to their parish or constituency,⁴ and are often approached by constituents seeking support or wanting to express opinions on a wide range of matters. As in many other jurisdictions there are no fixed rules about how States Members should make themselves available to constituents or what they do with the issues raised with them. In practice, many hold 'surgeries' at advertised times in their parish or constituency, sometimes with the other States Members for the constituency. States Members' contact details are also widely available – including e-mail addresses, mobile phone numbers and sometimes home addresses – and in a small community constituents often know them personally or at least recognise them. As a result, many States Members are approached directly, even when they might expect to be 'off-duty' in the supermarket or taking children to school. For some people, this feeling of conspicuousness is very stressful and means that it is very difficult to switch off from the role without leaving the island. This feeling has been exacerbated for some States Members who have received very personal comments from constituents about their heritage or ethnicity.
19. When approached by constituents experiencing difficulties, States Members' response may be a mix of referring the individual to an appropriate source of support, helping the individual make their case to relevant authorities, or raising the matter in the Assembly as part of a policy debate. There does not appear to be a convention in place as in some other jurisdictions that where a member is approached by an individual who does not live in their constituency, the individual is invited instead to contact their own representative (in Jersey, with multi-member constituencies, the individual would in any case have a choice of representatives). States Members say that this is because they may be known to have an interest or expertise in a particular matter. However, this approach probably leads to additional duplication of effort beyond what already arises where individuals in multi-member constituencies may approach each member in turn about a given issue.
20. There are a variety of other roles that States Members may, but are not individually obliged, to do:
 - a. Those who are not ministers or assistant ministers may participate in the Public Accounts Committee (PAC), one of five standing scrutiny panels or other scrutiny reviews on specific topics;

⁴ There used to be a category of States Member called 'Senators' who had an island-wide mandate.

- b. They may hold one of the governance roles reserved for States Members, including some reserved for those who are not ministers, in bodies such as the States Employment Board (SEB) or Jersey Overseas Aid Commission (JOAC);
 - c. They may participate in other committees such as Privileges and Procedures Committee (PPC) which relates to the workings of the Assembly itself, or the Planning Committee which makes decisions on planning applications.
21. Most, but not all, States Members carry out one or more of these additional roles, some alongside being ministers or assistant ministers. There is no obligation for a States Member who is not a Minister to participate in a Scrutiny Panel or the PAC, and some do not do so. This can make it hard for the Assembly as a whole to carry out its scrutiny function, and lead to a significantly increased burden on those who do participate in the scrutiny function. That is potentially a problem because scrutiny is one of the core constitutional roles of a parliamentary assembly, whereas some other roles carried out by States Members (such as those in points (b) and (c) of the previous paragraph) could in principle be carried out by others.
22. It is important to recognise that in addition to these various roles and tasks, being a States Member involves being personally subject to intense personal scrutiny on an ongoing basis. In an age of 24-hour media and communication, parliamentarians in most jurisdictions would now say that the level of scrutiny of their professional and personal lives and the pressure to be always available has become very intense. Given the size of Jersey and its population, that feeling can be particularly acute for States Members. Some deal with it by spending precious leisure time at home, though that respite may be reduced because many members of the public know where States Members live. Others feel they can only really relax when they are off the island. This is a combination of factors that could create the conditions for poor mental health, and make it harder to make use of support networks to manage any mental health challenges.

Reform of the Assembly's size and composition

23. There have been a number of reforms made, and more proposed, to the size and composition of the States Assembly since the introduction of ministerial government in Jersey in 2005.
24. Among these were proposals by the Electoral Commission in its January 2013 [final report](#) that the size of the Assembly should be reduced to 42 members. Despite being the preferred option in a referendum held later that year, the proposal was not implemented.⁵ Although subsequently reduced from 51 to the current 49 members, the States Assembly continues to have more members than international comparators would indicate, as discussed in **Box 1**.

⁵ See BBC, [Jersey politicians reject referendum reform move](#), 16 July 2013.

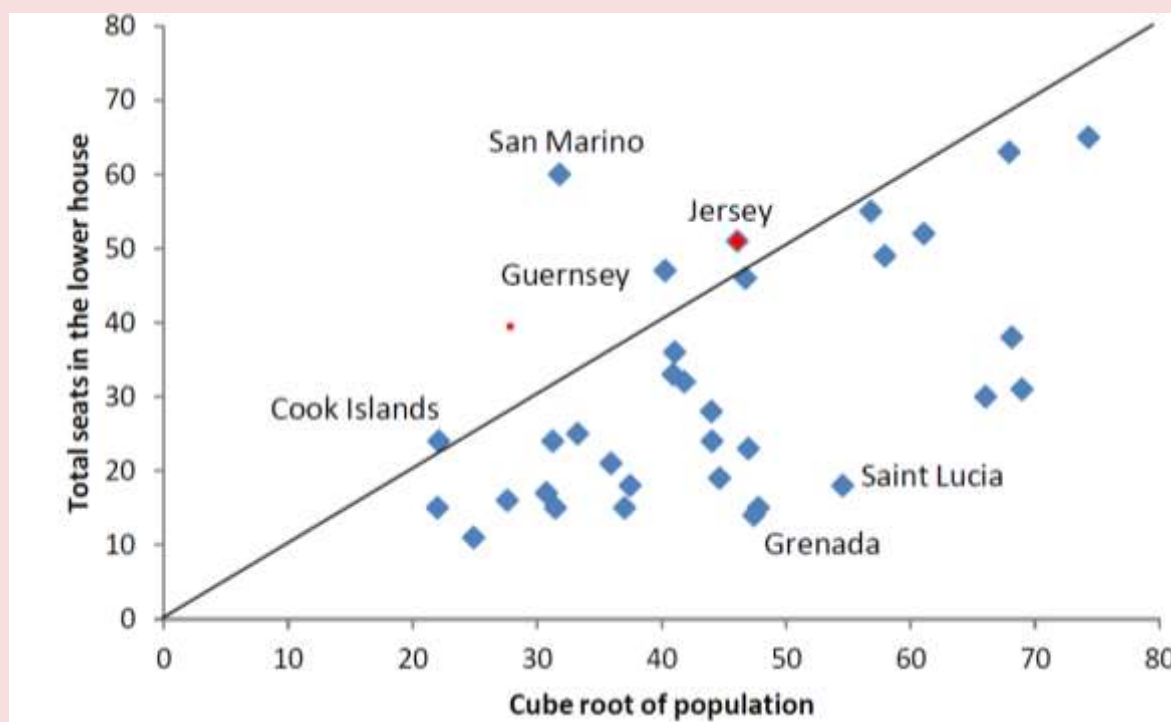
Box 1: International comparators on size of parliamentary assemblies

In 2013, when there were 51 States Members, the Electoral Commission recommended reducing the number of States Members to 42. This recommendation echoed a finding from the earlier [Clothier Review Panel](#) that with the introduction of ministerial government in 2005 fewer, perhaps 42 to 44 States Members, would be needed.

The Electoral Commission's recommendation was informed by an expert adviser, Dr Alan Renwick, who observed that in most large jurisdictions the size of the parliamentary assembly was the cube root of the size of the population, with most smaller jurisdictions tending to be below the cube root.

Figure 1: The cube root law for parliaments in small democracies

Source: *The Jersey States Assembly in Comparative Perspective, A Renwick, 2013*



In its 2013 report, the Electoral Commission indicated that the cube root of the population on the most recent available census data was 46. Based on Jersey's [2021 Census figures](#), the cube root of the population would now be 46.9.

25. Other changes which were made included the introduction of larger, multi-member constituencies for deputies, and the replacement of the former 'senator' role with additional deputies. One aim of these changes was to reduce the number of uncontested elections, of

which there had been a large number by international standards in previous years and about which international election observers had expressed concern.⁶

Key points for the remuneration review

26. The above description of the States Assembly and the work of States Members is necessarily brief but helps to provide the necessary context for the approach I have taken to the remuneration review.
27. Although the office of States Members may appear quite unstructured, it is essentially a full-time role and certainly difficult to combine with other significant professional commitments.
28. In considering the content of the role for the purposes of determining the appropriate remuneration, I have focused on the 'core' duties which all States Members undertake, and not those which some may undertake, such as becoming a minister, or a member of a public body such as the SEB or JOAC. I do consider participation in scrutiny to be a 'core' duty of non-ministers, but am conscious that not all States Members who are not ministers do participate in the scrutiny function currently.⁷
29. Finally, for reasons discussed further below, I have taken into account the size of the Assembly as well as individual remuneration because the overall cost to taxpayers of States Members' remuneration is based on both factors.

Consultation Question

Q1: Do you have any comment on the description of the role of the States Assembly and States Members, or the key points identified as relevant for the remuneration review? [paragraphs 6-29]

⁶ The Commonwealth Parliamentary Association (CPA) observer mission [report on the 2018 election](#) expressed concern about the number of uncontested elections, noting that 11 of the 12 constables were elected unopposed. The CPA observation mission [report on the 2022 election](#) noted that, following extensive reform, the total number of uncontested seats had fallen from 14 (28%) in 2018 to 8 (16%, all constables) in 2022, but recommended further action to avoid uncontested seats in future.

⁷ See paragraphs 107-111 for recommendations on how to address this.

How should States Members' pay be decided?

30. Many jurisdictions have grappled with the question of how parliamentarians' pay should be determined given the unusual features of the role.⁸ Typical considerations include:
- a. How to ensure that parliamentarians do not determine their own pay, given the inherent conflict of interest in them doing so;
 - b. How to balance the right of parliamentarians to be fairly remunerated with the taxpayer's right to expect public funds to be used prudently;
 - c. What kinds of benchmarks and parameters can be used to set pay appropriately, given that parliamentarians are not employees with a fixed job description;
 - d. How to update parliamentarians' pay in the face of continuing political, media and sometimes public pressure not to do so.
31. Some international good practice has emerged. This includes:
- a. Appointing an independent party to determine parliamentarians' pay, without members themselves having an opportunity to object or vote on the determination.
 - b. Using some kind of objective, statistical benchmark as a basis for periodically updating parliamentarians' pay. Typically, this is a series prepared by the national statistical authority using a transparent and robust methodology that is not determined by the parliamentarians themselves.⁹
32. Another factor often considered is the importance of enabling a wide range of candidates to stand for election without the level of remuneration acting as a deterrent. In Jersey, as elsewhere, parliamentarians were originally unpaid and members relied on their independent means for income. As the voter franchise has extended and there is greater recognition of the need to enable a wider pool of representation, practice has evolved to ensure that parliamentarians who choose to do so are able to live reasonably on their parliamentary salary without additional income.
33. A further dimension comes from the question of how to balance the special nature of the parliamentary office with generally applicable remuneration practice, and with the experience in that regard of parliamentarians' own constituents. An example of where this approach of taking principles from wider remuneration practice and adapting it for States Members has been used

⁸ See Dr Hannah White's *Independent Review of Jersey Members' Remuneration Process*, R.121-2020, for a fuller account of international practices and lessons learned.

⁹ Both of these good practices have been incorporated in the new statutory framework under which this review takes place.

in Jersey is the SMRRB's development of loss-of-office payments analogous to redundancy payments.¹⁰ Getting this balance right is important in terms of being fair to the parliamentarians themselves, on the one hand and, on the other, in reducing as far as possible any basis for the public to think that parliamentarians are deriving undue privileges from their role.

34. While maintaining public confidence is important, experience suggests that simply asking the public what they think parliamentarians should be paid is not hugely productive. As Dr White reported in her review: "Members of the public have a tendency to 'start from where they are' when hazarding a guess at appropriate remuneration, with AB [higher socio-economic] groups suggesting higher pay and CDE [lower socio-economic] groups suggesting lower'. Some individuals interviewed for her report suggested this was because "most members of the public have very little idea what the role of a member involves; members do their jobs very differently; and, comparators are not obvious", with perceptions of appropriate pay also being "heavily affected in the short term by unrelated factors, such as an unconnected political scandal or success".¹¹ IPSA, the UK body responsible for setting the pay of Westminster MPs, found in its research that giving people information about MPs' role changed their views, noting that "as public understanding of the role increases, the more likely the public is to believe that MPs do a proper job and that they deserve a higher salary".¹²
35. Experience in Jersey and in other comparable jurisdictions have shown that the determination of parliamentarians' pay is not a question where there is an established and straightforward way to arrive at a correct answer. It necessarily involves judgement, and consideration of a range of different evidence and factors to inform that judgement.
36. The statute requires me to consult all States Members and the Minister of Treasury and Resources before making my determination. States Members are clearly an interested party and it is appropriate that they have an opportunity to comment, but not decide on, proposals affecting them. The requirement to consult the Minister reflects the fact that public funds need to be made available to pay the salaries. It is the Minister of Treasury and Resources that coordinates the development of the annual Government Plan which sets out the overall public sector spending requirement, including all costs associated with the States Assembly. I have written to all States Members and to the Minister inviting them to respond to the proposals in this paper.
37. The statute does not require me to consult the public. Given that focus groups have already been held in Jersey on this subject (as in some other jurisdictions) and given the limitations discussed above, I have not considered it necessary or proportionate to repeat the exercise for

¹⁰ These payments are discussed further in paragraphs 74-90 below.

¹¹ R.121-2020, page 17.

¹² See *MPs' Pay and Pensions Final Report*, December 2013, paragraph 95.

this review. However, I have chosen to publish for consultation these draft proposals for the content of my determination for several reasons. First, to ensure that any stakeholder – not only States Members – has an opportunity to draw my attention to any information they consider relevant and to comment on the judgements I have made before they are finalised. Second, because as Dr White noted in her report, transparency about the process by which States Members’ remuneration is set is an important ingredient in maintaining public confidence. Third, because as an individual reviewer I have not had the benefit of robust discussion with fellow reviewers that informed the deliberations of the former SMRRB. However, given the past experience discussed above, the consultation questions are designed to seek feedback on matters which inform how I make my final determination, not what the amount of such a determination should be.

38. The statute does not specify the criteria which I must take into account before making a determination. This is understandable given the rather complex interplay between different factors which experience suggests is needed in practice, even if not generally prescribed in legislation. I have tried to explain my reasoning on specific points throughout this paper, but underpinning that reasoning are the principles that States Members’ remuneration should:
- a. Be sufficient to enable a wide range of candidates to seek election;
 - b. Seek to reward Members fairly for the office they hold, while paying due regard to taxpayers’ reasonable expectations about the use of public funds;
 - c. Be explicable as far as possible in terms derived from generally accepted remuneration practice, or the substantive need for any deviation from such practice clearly explained;
 - d. Be set in a way that takes due account of international good practice while reflecting Jersey’s specific institutional and economic context;
 - e. Be focused on the reward an individual receives for undertaking the office they hold, rather than on providing them with the ‘tools of the trade’ needed to carry out that office;
 - f. Include a consideration of the overall remuneration package, not only the salary component of that package.
39. In the Jersey context, I have also had to form a view about the nature of the office which is being remunerated. This is because unlike every international comparator considered by the SMRRB, Jersey’s statute does not allow for ministers to be paid an additional salary for carrying out that role, or for any other differentiation between States Members such as additional salary for those chairing Scrutiny Panels.
40. One approach would be to set the salary for all States Members at a level which reflects the fact that some (a minority) will become ministers, and others will take on essential scrutiny

roles such as chairing Scrutiny Panels or the Public Accounts Committee which must by their nature be undertaken by a member of the legislature holding the executive to account. However, I have concluded that such an approach would not be appropriate. No individual States Member is obliged to take on any of these roles and while some do, others do not. Inflating all States Members' pay to the level that might be appropriate for those who bear the most responsibility would be highly inefficient and not in the taxpayer's interest. I have therefore based my proposals for the determination of States Members' pay on the core elements of the role.¹³ However, in paragraphs 98-104 below I also make recommendations on aspects of remuneration related to other activities carried out by some or all States Members.

Consultation Question

Q2: Do you have any comments on the proposed approach to deciding States Members' pay? [paragraphs 30-40]

What are States Members currently paid?

41. States Members' current remuneration comprises:
 - a. An annual salary of £50,000;
 - b. An optional defined contribution pension scheme¹⁴ for those under 75, to which participating members must contribute at least 7.75% of their salary and a 10% 'employer' contribution is also added.
42. States Members are also reimbursed for the 'employer' element of their Class 2 Social Security contributions even though they are not technically employees, and an additional 20% of that amount to compensate for the fact that the reimbursement is taxed as a benefit in kind.
43. States Members do not receive any additional 'allowances'. The only claimable expenses relate to travel outside Jersey on States business. They cannot claim any reimbursement for most of the costs they incur in carrying out their role, such as fuel or transport, printing, stationery,

¹³ See paragraphs 107-111 for recommended changes the States Assembly could make in relation to participation in the 'core' scrutiny function.

¹⁴ 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. By contrast, 'defined benefit' pensions do 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.

administrative support, or buying coffee for a constituent.¹⁵ However, like self-employed people, they can reclaim the tax payable on the expenses they incur. As an administrative simplification, States Members can reclaim tax on up to £3650 of expenses without providing detailed receipts. While reclaiming tax reduces the cost to States Members, they are still paying the remainder of the expenses incurred from their salary.

44. Any States Member who stands for re-election but does not get elected is entitled to a 'loss of office' payment. The amount is calculated as one month's salary per four years' continuous service, pro-rated as necessary and subject to a minimum of two years' service. This approach to calculation is derived from the approach to redundancy payments for employees.¹⁶

Consultation Question

Q3 Do you have any comments on the description of what States Members are currently paid? [paragraphs 41-44]

What should States Members be paid?

45. The SMRRB gathered a wide range of evidence to inform its decision-making about States' Members' remuneration. This evidence included:
- a. **International comparators of parliamentarians' pay.** Such comparators must always be treated with caution because of differences in taxation and other factors that make direct comparisons difficult. As a result, rather than comparing the absolute amount of remuneration in each jurisdiction, the SMRRB looked at the parliamentarians' pay relative to the minimum wage (where applicable) and median wage in each jurisdiction. In each case, the SMRRB found that Jersey's States Members were at the lower end of international comparisons, even after the SMRRB's recommended pay changes were included.
 - b. **The positioning of States Members' salaries relative to other employees in Jersey.** This analysis was based on comparisons to a range of measures relevant to all employees, plus the median of wages in the public and finance sectors. It found that States Members' salaries had fallen relative to all those comparators, and that at

¹⁵ States Members do receive a car parking permit giving them access to free car parking when on official business.

¹⁶ Because States Members are not employees, they are not covered by Jersey's general statutory redundancy framework.

that time States Members pay equated to the 72nd per centile of earnings (meaning that it was higher than the earnings of 72% of employees).

46. The SMRRB concluded that States Members should in future be paid at a level between the 70th and 75th percentile of the average employee, and the current £50,000 States' Member salary was set at a level which was expected to be within that range when the change took effect on 1 June 2022. It made this determination predominantly with reference to local comparators, but also with a view to becoming less of an outlier in international comparisons.
47. There are two important points¹⁷ to make about the context in which the SMRRB carried out its analysis and made these recommendations:
 - a. It stated explicitly that its approach assumed the continuation of a low-inflation environment, which due to a range of unpredictable factors including the Covid pandemic has proven not to be the case;
 - b. At the time of its last report no pension was in place for States Members, meaning that the local comparisons focused mainly on basic pay rather than overall remuneration. Since then, as recommended by the SMRRB, pension arrangements have been put in place for States Members.
48. In this review I have taken the SMRRB's target range of positioning States Members' pay between the 70th and 75th percentile as a useful starting point. Given the significant change in the economic context since the SMRRB prepared its recommendations in 2019, I have considered whether States Members' salaries have evolved as expected relative to other local comparators since 2018.
49. I therefore looked to see how States Members' salaries compared to average earnings at the start of the new term after the elections in June 2022. States Members' pay increased from £48,000 to £50,000 on 1 June 2022, so I considered the positioning of both the old and new salaries. The data, kindly provided by Statistics Jersey, is set out in **Table 1**, below.

¹⁷ Another important point, that of additional pay for Ministers, is discussed in paragraphs 103-106 below.

Table 1: States Member Salaries relative to 2022 Jersey salary percentiles

Source: Statistics Jersey, derived from *Median earnings, June 2022*

Percentile	Annual Salary
80 th	£62,900
75 th	£56,600 – SMRRB upper bound
70 th	£51,900 – SMRRB lower bound
68 th	£50,000 – salary from 1/6/22
65 th	£48,000 – salary until 1/6/22
50 th	£38,400

50. This analysis is important because it shows that by June 2022, States Members’ salaries had fallen significantly below the floor SMRRB’s benchmark range and that it remained below that range even with the increase received on 1 June 2022.
51. I therefore consider that there is a strong case for making an adjustment to States Members’ salaries to bring them back into line with where the SMRRB had intended them to be last year. I have taken this into account in determining the proposed timing of the adjustment of States Members’ salaries as discussed further below.

Consultation Question

Q4 Do you have any comments on the proposed approach to benchmarking States Members’ salaries? [paragraphs 45-51]

52. As discussed above, salaries are only one part of remuneration. The only additional benefit that States Members receive is the contribution to their pension. They do not receive bonuses, private healthcare or other benefits as might be the case in many parts of the private sector, such as financial services. In that respect, their remuneration is structured in a way more akin to public servants than the private sector. I therefore consider that it is more appropriate to consider public sector pensions as a benchmark for States Members’ pension provision, rather than the private sector.

53. Comparing the current scheme for States Members with that provided to other public servants reveals a significant gap in the contributions made. States Members' receive a pension contribution of only 10% of their salary, compared with the 16% received by other public servants. There is no evident reason for this discrepancy.¹⁸
54. I therefore propose that 'employer' pension contributions for States Members should be increased to 16%, in line with the contribution paid to other public servants.
55. The employer contribution rate paid in relation to other public servants is capped in legislation at 16.5%.¹⁹ The legislation can of course be changed by the States Assembly, and the amount of the contribution actually paid within that cap can ultimately be decided by the States Employment Board who, as discussed elsewhere in this report,²⁰ are currently all States Members. In order to avoid any resultant conflict of interest, I propose that the 16% contribution payable to States Members should be revised downwards to match any change made to the contributions received by other public servants, but should remain at 16% until the next reviewer's determination even if other public servants are awarded a higher percentage. I further propose that if the contribution rate paid by other public servants themselves is increased, it should likewise be increased for States Members, but that if it is reduced the States Member contribution should remain at 7.75%.
56. Given that the pension scheme for States Members has only recently been established, I considered whether there were any other adjustments needed in the light of its initial operation. I have not identified any other changes needed to the pension arrangements themselves. However, given that uptake of the scheme has been lower than originally anticipated, I recommend that further briefings about the scheme are made available to States Members who have not joined. There may also be opportunities to clarify the procedures for payment of additional voluntary contributions by States Members (at their expense) which I will explore further with the relevant staff.

Consultation Question

Q5 Do you have any comments on the proposed approach to States Members' pension contributions? [paragraphs 52-56]

¹⁸ The 7.75% per cent of salary contribution paid by States Members themselves is the same as that paid by non-uniformed public servants. Uniformed public servants pay a higher percentage, but can retire earlier.

¹⁹ Section 7.2 of the *Public Employees (Pensions) (Jersey) Law 2014*, as amended.

²⁰ See paragraph 68 and paragraphs 99-102.

How should States Members' pay be updated?

57. The SMRRB organised its work so as to carry out a substantive review of States Members' pay once in each parliamentary term and to use economic projections to determine whether a periodic update might be needed and, if so, what it should be. This approach has a number of advantages, including certainty for States Members' themselves, for government budgets and for taxpayers.
58. However, as discussed above, the SMRRB were explicit that the appropriateness of this approach depended on the continuation of a low-inflation environment. For reasons entirely unpredictable at the time of the SMRRB's last report, inflation has since risen sharply. In March 2023, the Jersey [Retail Price Index](#) published by Statistics Jersey showed that prices had increased by 12.7% in the previous year. In its March 2023 report, Jersey's Fiscal Policy Panel indicated that while it expected inflation to peak in the first quarter of 2023, it expected inflation to remain elevated for the rest of the year, averaging 9.9% across the year as a whole.²¹
59. This means that if the same approach to updating States Members' pay were taken now, there would be much more uncertainty about whether the parameters and amounts chosen would continue to be appropriate as the economic situation evolves in the coming years.
60. As a result, it seems preferable to me to adopt the approach already used in many other jurisdictions, of linking updates to States Members' pay to an appropriate statistical benchmark. There is provision for such an approach in the relevant Jersey legislation, based on linking to a statistical series produced by Statistics Jersey.
61. I considered but quickly ruled out a link to a measure of inflation. Inflation is typically one factor considered in pay negotiations. Setting in stone a particular relationship between States Members' pay and inflation would have too big an impact on the context for broader public sector pay negotiations. Such an impact would be particularly problematic in Jersey given that the Board of the States Employment Board, which oversees the employment terms of public sector employees, consists solely of States Members. This would result in a structural conflict of interest.

²¹ More RPI recent data [published](#) by Statistics Jersey in July 2023 showed that in the year to June 2023, prices had risen by 10.9%.

62. The approach used in several other jurisdictions, including Germany, Guernsey, the UK and Wales is to link to a statistical series related to earnings.²² There are a number of advantages to such an approach:
- a. A link is maintained to the trends in pay for States Members' constituents;
 - b. The data is retrospective, so it reflects pay developments that have already happened, rather than setting a precedent for any pay negotiations that are ongoing or yet to happen;
 - c. Data is available annually, meaning that smaller incremental adjustments can be made which reduce the risk of needing to do a larger 'reset' at the start of each parliamentary term.
63. The key earnings data series produced by Statistics Jersey is the Average Earnings Index (AEI). The series is based on an annual survey of a sample of Jersey employers which collects data for a reference date in June each year. It is published in late August.
64. Jersey's AEI is designed to measure the percentage change in the mean earnings of full-time employees since the previous year.²³ Because it is designed to measure changes, and it adjusts data for those who work part time, it is particularly well suited for use as a benchmark to update salaries. In some other jurisdictions, such as the UK, the key earnings statistics series is designed primarily to measure changes in the overall wage bill in the economy. This means, that if fewer people are working, if people work more or fewer hours, or if jobs move from well-paid to lower-paid sectors of the economy (or vice versa), this can affect the figures significantly in a way that does not reflect the changes to individuals' salaries. Jersey's earnings statistics are designed in a way that makes them less susceptible to these effects, which is one form of what are known as 'compositional effects'.²⁴
65. Statistics Jersey publishes an overall figure which reflects the percentage change across the whole economy, including both the public and private sectors. It then also separate out and publishes separate figures for the public and the private sectors. There is therefore a choice to be made about which of these figures would be the most appropriate benchmark to use in updating States Members' pay. Different choices have been made in different jurisdictions about this. In the UK, it has so far been considered more appropriate to benchmark against

²² See, for example, Deutscher Bundestag's *Remuneration of Members of the German Bundestag*, Guernsey's *Rules for Payments to States' Members* (page 194), IPSA's *Consultation report: mechanism for updating MPs' salaries*, Section 3.2 of the Senedd Independent Remuneration Board's *Determination on Members' Pay and Allowances 2023-2024*.

²³ As in many other jurisdictions, the AEI does not include self-employed people.

²⁴ 'Compositional effects' in this context are changes in the underlying jobs in relation to which earnings statistics are collected, such as the number of hours worked or which sector of the economy the jobs are in.

changes in public sector earnings. In Wales, a benchmark referencing the whole economy has been used.

66. In Jersey, there are arguments that would support the use of either the public sector or the whole economy benchmark. I do not think that there is a strong case for using the private sector benchmark. States members are public servants and as discussed above do not have access to bonuses or the wider range of benefits which are available to many in the private sector and which may affect trends in fixed remuneration (where, for example, salaries may change little but variable remuneration may increase significantly). States members represent both public and private sectors, so there appears to be no reason from that perspective to link only to the private sector.
67. An advantage of the public sector benchmark is that it would align States Members' pay to that of other public servants. It would also link pay to the experience of a portion of their constituents. However, as the public sector constitutes only about 14% of jobs in Jersey,²⁵ there may be less benefit in terms of representativity than in relation to the whole economy index.
68. Another disadvantage of the public sector benchmark is that there would be a conflict of interest for those States Members who serve on – and comprise the full membership of – the States Employment Board. Any decision to increase public sector employees' pay would – after a time lag – lead to an increase in States Members pay. There would be no effective way to avoid at least a strong perception of conflicting interests.
69. A third factor to be considered in relation to the public sector benchmark is that in Jersey it can be quite volatile from year to year. This is because it reflects the salaries actually paid to individuals in the month of June when the survey is conducted. If the pay negotiations for a particular part of the public sector have not concluded in time for the salary to be paid in June, or conversely if a salary increase backdated to an earlier month is actually paid in June, this will affect the pay figure for that month shown in the survey.²⁶
70. The whole economy benchmark is by definition the most representative of constituents, covering employees in both the public and private sectors. It would include other public servants, whose remuneration structure is likely to be more similar to States Members, yet the addition of private sector employees would significantly dilute the impact of public sector pay

²⁵ *Labour Market December 2022*, Jersey Statistics. For reasons explained by Statistics Jersey in their report, the number of jobs is not the same as the number of employees.

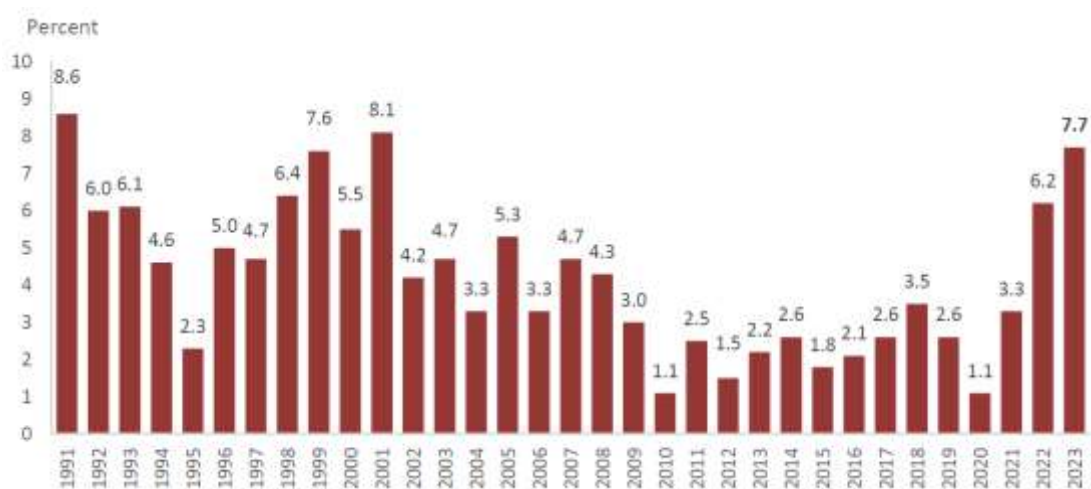
²⁶ Statistics Jersey explain and illustrate this volatility in their *Index of Average Earnings – June 2022* report.

negotiation decisions on the data. While this would not entirely remove the conflict of interest noted above, it would in my view make it less significant and reduce it to a manageable level.²⁷

71. On balance, I have concluded that the most appropriate benchmark for updating States Members’ pay is Statistics Jersey’s annual Average Earnings Index, referencing the weighted average for the whole economy, rather than the constituents which relate to the public or private sector specifically.
72. I also considered whether there was a need to set any ceiling or floor to the percentage change that could take place each year. I concluded that given the way Jersey’s AEI is constructed there is no need to do so. As described above, in some other jurisdictions changes in the headline earnings index are more reflective of changes in the broader economy than individuals’ pay rates. If the index fell below zero, for example, it would not necessarily mean that individuals’ pay rates were falling. However, in Jersey, if the AEI were to fall below zero, it would be likely to indicate that pay rates had fallen and there is no obvious reason why this should not apply to States Members as to others. It is worth noting that this is not a likely scenario: even during the Covid-19 pandemic, unlike in some other jurisdictions, the AEI did not fall below zero.

Figure 2: Annual percentage change in the Index of Average Earnings, 1991-2023

Source: Statistics Jersey



73. **Figure 2** above shows the AEI for each year since 1991. This year’s figure of 7.7% is the highest since 2001. However, as Statistics Jersey note, the long-term annual average since 1990 has been a 4.1% increase, and the preceding five-year annual average was 3.3%. As the figure shows the data appears to have been cyclical during this period, and there are four years where the change has been less than 2%. In March 2023, Jersey’s Fiscal Policy Panel correctly predicted that this year’s AEI would be higher than last year’s figure, but also predicted that the

²⁷ In paragraphs 99-102 I have proposed measures which could reduce this conflict of interest further.

AEI would be 2.6% in 2024, 1.6% in 2025 and 2.6% in 2026. It is therefore important to be clear that linking States Members' pay to the AEI does not mean they will get a 7.7% pay rise every year, and that the change is forecast to be a much lower increase in the years ahead.

Consultation Question

Q6 Do you have any comment on the proposed approach to updating States Members' pay in line with Jersey's Average Earnings Index? [paragraphs 57-73]

What should happen when a States Member loses an election?

74. Under the [States of Jersey Law 2005](#), elections in Jersey are now held every four years.²⁸ So, every four years each sitting member faces a choice about whether to stand for election again. Those who do so are of course not guaranteed to win: some will be re-elected, while others will lose to other candidates.
75. This raises the question of what should happen when a States Member leaves the Assembly, and whether any payment should be made only to those who stand unsuccessfully, or to all who leave at the end of the parliamentary term.
76. Before the 2022 election, a system was introduced under which those who stood unsuccessfully for election, but not those who chose not to stand again, received a payment on leaving.²⁹ The payment was subject to a minimum of two years' service and equivalent to one month's salary per four years' continuous service, pro-rated as necessary. I will refer to this as the '2022 arrangement'.
77. The rationale for the 2022 arrangement was that it mirrored the approach taken in Jersey to redundancy payments, to which States Members are not formally entitled, as they are not employees.³⁰ Under this approach no payment was made to States Members who chose not to stand again as this was considered analogous to a worker reaching the end of a fixed-term

²⁸ In the past, elections were held every three years.

²⁹ The payments made were [published](#) in response to a Freedom of Information Act request.

³⁰ Jersey's statutory redundancy framework provides for employees on permanent contracts with at least two years' service or fixed-term employment of at least two years to receive one week's basic pay (currently capped at £860) per year of service, in addition to any statutory or contractual notice period.

contract and choosing not to renew, a situation in which no compensation would normally be paid.

78. The 2022 arrangement replaced an earlier arrangement in which all departing members were paid one month's extra salary, whether they stood for election or not.
79. The 2022 arrangement had a very clear rationale based on principles that apply to other workers. The costs involved need to be considered in the context of the fact that until very recently States Members did not have any pension provision, and so did not benefit from either the 'employer' contribution or the tax relief on their own contribution enjoyed by other public servants. Furthermore, the 2022 arrangements only mirror the statutory arrangements available to others in Jersey, whereas in some other jurisdictions, loss of office payments are considerably more generous than the statutory minimum. For example, in Wales Senedd members who lose their seats are entitled to receive a resettlement grant of one month's salary per year of service up to a maximum of six months.³¹
80. A potential downside of the 2022 arrangement is that because the payment is made only to those who stand again, some individuals may stand for election solely to benefit from the payment and without any desire to serve another term. This is clearly not desirable for constituents, and may also involve some inconvenience and personal stress for the individuals concerned.
81. I have therefore considered the options available for the 2026 election and beyond and whether there is a case to change the 2022 arrangement significantly, or to refine it.
82. In doing so, it is important to recognise that parliamentarians can face considerable personal and financial challenges when they leave office, particularly when that arises from having lost an election. While this is of course true for others who lose employment, the transition to a new role can be particularly difficult for parliamentarians given that they by definition cannot perform the same role as before, and also that they have been continuously in the public eye while in office, with extremely limited possibilities to 'switch off' from the job.³² While undesirable, it is therefore understandable that some individuals may feel pressure to stand in order to secure the loss-of-office payment.
83. Nevertheless, I do not think there is a case for simply reverting to an arrangement such that payments are paid to all departing States Members regardless of whether they stand again. As argued by the SMRRB when they decided to move away from the previous system, such an

³¹ See Section 9.3, *Determination on Members' Pay and Allowances 2023-2024*, Senedd Independent Remuneration Board.

³² Further details of the challenges faced by departing UK MPs are described in The House of Commons Administration Committee's February 2023 Report *Smoothing the cliff edge: supporting MPs at their point of departure from elected office*. Given the impossibility of anonymity in a smaller jurisdiction such as Jersey, these difficulties seem likely to be at least as great for departing States Members.

arrangement is too far removed from the principles underpinning Jersey's general statutory redundancy framework. Jurisdictions including the Isle of Man, United Kingdom and Wales also make such payments only to those parliamentarians who stand again unsuccessfully, not all who stand down.³³

84. However, there is a case to consider whether the payment calculation method can be refined in a way that remains fair to both States Members and the public and which reduces the incentive for any candidates to stand for the purpose of securing the benefit rather than with the aim of securing another term. And there is also a case to examine whether there are transitional issues to be considered in any move away from the 2022 arrangement to maintain fairness to all parties.

85. I propose that in future, two changes should be made:

- a. A payment of one month's salary per year of service should be made, limited to a maximum of four years' service;
- b. Plus an additional one month's salary in lieu of a notice period.

86. There are several reasons behind these proposals. They:

- a. reflect the fact that at each election States Members make a choice as to whether to stand, by 're-setting' their entitlement at the start of each parliamentary term;
- b. reduce the financial incentive to stay continuously in the States, and the potential unfairness to those who have accrued significant but non-continuous service;
- c. reflect the fact that the Jersey statutory redundancy framework provides for minimum notice periods which are not currently reflected in the 2022 arrangements.³⁴

87. For those with shorter periods of continuous service who are not re-elected, the proposed loss-of-office arrangement will be more generous than either the 2022 arrangement or the system that preceded it. For those with longer continuous service, it will be less generous than the 2022 arrangement, but still considerably more generous than the system that preceded it.

³³ For details, see *The Members of Tynwald (Resettlement Grant) Scheme 2018 (2018-SD-0041)*, Section 9.3 of the Senedd Independent Remuneration Board's *Determination on Members' Pay and Allowances 2023-2024*, and paras 8.11-8.12 of IPSA's *The Scheme of MPs' Staffing and Business Costs 2023-2024* respectively.

³⁴ For a summary of Jersey's statutory redundancy framework for employees, see *JACS Procedure and Payments for Redundancy Guidance Note*. The framework provides for statutory notice periods between one and twelve weeks, depending on length of service. Under the *States of Jersey Law*, a deputy's term starts on the day on which they take the oath of office, and ends on their resignation or the day on which the Deputy elected at the next election takes their oath of office. In 2022, the election was held on 22 June, the final results announced early on 23 June, and oaths sworn on 27 June. This effectively gave those States Members not re-elected four days' notice.

88. Desirable though these changes are, I do not consider it would be fair to introduce them until after the next elections, which are due in 2026. The decisions of those who were re-elected in 2022 would have been made on the understanding that the 2022 arrangements for loss of office payments would apply.
89. I therefore propose that for the next election only, the same loss of office payment should be made regardless of whether they stand for re-election or stand down to those departing members who:
- a. Are serving States Members on the day before the 2026 election; and
 - b. Have 19 or more years' continuous service in their current period of service on 1 January 2026.
90. These are the members with the greatest incentive to stand for election without wanting to serve. They are also part of the cohort who for much of their service had no pension scheme available to them and missed out on the associated 'employer' contribution and tax advantages. This change would apply to at most six of the current 49 States Members, at least some of whom might in any case choose to stand but lose their seat at the next election, making them entitled to a loss-of-office payment at the next election under the existing system. They would not receive a higher payment than if they campaigned unsuccessfully, and any or all of them may successfully stand for re-election. If so, they would at that point become subject to the same, modified regime applicable to all other States Members.

Consultation Questions

Q7 Do you agree with the proposed approach to loss of office payments at the 2026 election? [paragraphs 88-90]

Q8 Do you agree with the proposed approach to loss of office payments at subsequent elections? [paragraphs 74-87]

What else should be considered?

91. The legislation empowers the reviewer to determine other matters related to remuneration in addition to those which must be included. In this section I set out other matters I have considered. For some of these matters, I set out proposals that I intend to include in my determination, or seek input as to whether and how they should be reflected in the determination. For other matters, where I consider that there are matters relevant to

remuneration but which it would not be appropriate for the reviewer to determine, I make recommendations for consideration by the relevant parties.

Transition for new States Members

92. Candidates need to spend the period before the election campaigning. For many standing for the first time, this means a period before the election where they are unable to get their usual income. As a result, potential candidates often need to plan for some time before standing how they will manage this period financially. This can also mean that the period immediately after the election is financially challenging for newly-elected States Members.
93. From my discussion with States Members and with staff involved, it appears that much worked very well in the period around the 2022 election. Staff across various teams had planned ahead to be able to get new States Members set up quickly on the payroll system, and salaries were paid promptly. Those States Members with whom I have discussed the transition were complimentary about the quality of the induction they received in general, and the clarity of information about pay and pensions received at that point.
94. However, several of those with whom I discussed transition indicated that there were some surprises and uncertainties earlier on that made their financial planning more difficult. These included:
- a. Discovering they were within scope of the statutory restrictions on continuing employment for the States as soon as they became a candidate, not only on election;
 - b. Not knowing beforehand when they would be sworn in, and hence paid for the first time;
 - c. Not knowing beforehand that they would need to attend a three-week induction and would not be able to meet existing work commitments during that time;
 - d. Not knowing that if elected they would be treated for tax and social security purposes as being self-employed.
95. Some of this feedback from States Members related to previous elections. Before the 2022 election, the States Greffe did carry out significant outreach to candidates covering these matters. While not all of it may have reached or been absorbed by all successful candidates, the importance of continuing such outreach is clear.
96. I therefore recommend that the States Greffe continue to prepare and distribute briefing materials to potential candidates, in collaboration with other relevant authorities, to provide as much clarity as possible about the transition for new members.

Political pressure not to accept remuneration

97. Whenever parliamentarians are given any kind of pay increase, there is a temptation for both the press and the public to seek commitments from individual parliamentarians that they will not accept it. While understandable, such pressure is counterproductive. One of the objectives of paying parliamentarians, in Jersey as in many other jurisdictions, is to ensure that individuals can serve without having to rely on private means to fund their service. The salary is determined with this objective in mind, so any pressure not to accept it defeats this purpose. It also risks undermining the independence of the remuneration review, by reintroducing an element of discretion for States Members about how much they are paid.
98. I therefore propose to make it explicit in my remuneration determination that no States Member eligible to receive a salary shall have the option to decline to receive any part of it.

Governance and the States Employment Board

99. The States Employment Board is the legal entity that formally employs Jersey's civil servants and most other public sector employees. Its responsibilities include giving direction in relation to the pay and conditions of those employees. Its members are all States Members, some from within the Council of Ministers and some from outside.
100. This creates some difficulty from the specific perspective of setting States Members' remuneration. As discussed in paragraph 68 above, all members of the SEB would be subject to a conflict of interest if the remuneration reviewer were to link aspects of States Members' remuneration very explicitly to public sector pay. I have sought to mitigate this conflict in framing my proposals in relation to alignment of pensions.³⁵
101. From this perspective it would be preferable if there were at least some non-States Members on the SEB, ideally replacing the States Members who are not members of the Council of Ministers. 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.³⁶

³⁵ See paragraph 55.

³⁶ 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".

102. I therefore recommend that the States Assembly considers implementing a change to the composition of the SEB before the remuneration review in the first year of the next parliamentary term.

Ministerial pay

103. Jersey's legislation requires that all States Members be paid the same salary. It is not unusual for jurisdictions to pay all parliamentarians who are not members of the executive the same. This reflects the fact that each hold the same office, and in many jurisdictions also reflects internationally-recognized good practice in having parliamentary constituencies with similar populations.

104. However, Jersey is highly unusual internationally in not paying its Ministers a salary linked to that role in addition to their 'base' States Member salary. The SMRRB considered an impressively broad range of international comparator jurisdictions.³⁷ All of them but Jersey paid extra remuneration to ministers.

105. 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 recommend that the Assembly makes such a change before the appointment of the next remuneration reviewer after the next election.

106. The details of such remuneration would be for the next reviewer to determine. However, given that the case for additional remuneration is strongly linked to the additional responsibilities associated with the role, I would recommend that if additional remuneration is contemplated for Assistant Ministers it should only be awarded where there is a formalized delegation agreement in place which determines the scope and extent of delegation from the Minister.

Participation in the scrutiny function

107. In the last twenty years of considering reform to the States Assembly, much work has been done on the proper role of the Assembly. As the [Clothier Review Panel](#) report identified, whatever other roles it may take on, there are some functions that only a legislature can play. One of these essential activities is the scrutiny function, by which the executive is held to account.

108. In the States Assembly the scrutiny function is carried out by five standing Scrutiny Panels, typically with three or four members but one with only two and one with six, plus the Public

³⁷ Bermuda, Gibraltar, Guernsey, Ireland, Isle of Man, Luxembourg, Scotland, Singapore, UK, Wales. For data on the uplift of pay for ministers relative to other members see page 25 of [SMRRB: Recommendations for Remuneration beyond the 2022 General Election](#), R.89, 22/7/2019.

Accounts Committee (PAC), which has four States Members and three external members. Additional Review Panels are established *ad hoc* to examine specific issues or proposals.

109. By definition, only States Members who are not ministers or assistant ministers can undertake the scrutiny function. Because ministers are always in a minority in the Assembly, this should leave a majority available for this function. Yet only 19 States Members currently serve on one of the five standing scrutiny panels or PAC (with some serving on more than one). By contrast, the Planning Committee alone has 10 members. Some States Members who are not ministers do not participate in either scrutiny panels or other committees.
110. There is a case for requiring all States Members who are not ministers or assistant ministers to participate in at least one of the five standing scrutiny panels or the PAC. This would have the benefit of ensuring that the scrutiny function is given adequate focus, and also reduce the disparity between States Members responsibilities. In this regard, it would provide a more consistent basis for the remuneration of States Members for the 'core' elements of the role, and greater clarity for the electorate about how States Members were performing that role. Making such a change is beyond the remit of matters that the remuneration reviewer can determine. However, the States Assembly itself could choose to incorporate such a provision in its Standing Orders.
111. I therefore recommend 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.

Size of the Assembly and implications for pay

112. Although the size of Assembly has reduced in recent years to 49, it is still larger than the 42 members envisaged under the winning option the 2013 referendum.³⁸
113. The size of the Assembly clearly affects the overall cost of remunerating its Members. If there were 7 fewer members, there would be a saving to the taxpayer in salary and pension at current levels of around £380,000 at current salary and pension levels. Alternatively, the saving would be enough to pay each of the remaining 42 States Members somewhere in the region of an additional £9,000 (which would need to cover both additional salary and pension contribution costs).
114. It is for the people of Jersey to determine whether they want to change the size and composition of the States Assembly. However, it is important to note that if the size of the Assembly were reduced, additional options would become available in relation to individual Members' remuneration without increasing the cost of the States Assembly overall to the public.

³⁸ See paragraph 24 and Box 1 above for discussion of changes to the size of the States Assembly that have been proposed and made in recent years.

115. Furthermore, in preparing these proposals and considering what is fair to both individual States Members and to taxpayers, I have assumed an Assembly of 49 members. Although it is perhaps unlikely to happen, I think it is important to consider the eventuality that the size of the Assembly increased because this would affect the overall cost to taxpayers.
116. I therefore propose to specify in my determination that if the size of the Assembly were to be increased, then the salary of each individual Member should be proportionately reduced.
117. There is also a case for stipulating in the determination that if the Assembly were to be reduced in size before the 2026 election, then at that election individual States Member salaries should increase.
118. I am therefore seeking feedback on whether my determination should also specify that if the size of the Assembly were to be reduced, the salary of individual States Members should be increased at the next election proportionately to the cost saving achieved, up to a maximum increase commensurate with a reduction in the size of the Assembly to 42 members. A choice could be made as to whether to pass on the full saving, or whether to allocate a proportion (e.g. 50%) to States Members with the taxpayer benefiting from the remaining saving.

Impact of election timing

119. The 2022 election was moved from the customary May to June because of the large number of public holidays. It will be important to draft the pay determination in such a way that States Members do not unduly lose out if the timing of the 2026 election reverts to May, for example by ensuring that loss of office payments can be pro-rated if the term is less than four full years. It will also be important to ensure that the way the pay determination is drafted or defined does not create incentives to hold the election on a particular date.
120. I am therefore seeking input on any specific issues that could arise in relation to the pay determination from decisions as to the timing of the election in 2026 or vice versa.

Consultation Questions

Q9 Do you have any comments on the transition for new States Members? [paragraphs 92-96]?

Q10 Do you have any comments on the proposal not to allow States Members to decline their salary? [paragraphs 97-98]

Q11 Do you have any comments on the recommendation relating to the States Employment Board? [paragraphs 99-102]

Consultation Questions

Q12 Do you have any comments on the recommendation relating to changing statute to allow the payment of an additional salary to Ministers? [paragraphs 103-106]

Q13 Do you have any comments on the recommendations relating to participation in the scrutiny function? [paragraphs 107-111]

Q14 Do you agree that if the size of the States Assembly increased, States Member salaries should be proportionately reduced? [paragraphs 112-116]

Q15 Do you think that if the size of the States Assembly reduced, States Member salaries should be proportionately increased? [paragraphs 117-118]

Q16 Are there any practical considerations to be taken into account in further specifying the pay determination arising from the timing of the 2022 or 2026 elections? [paragraphs 119-120]

When should changes take effect?

121. The legislation requires the remuneration reviewer to determine when the remuneration decided on should take effect. Increases, but not reductions, can be backdated to the last election but no earlier. This section considers separately the timing of the different elements of the proposed changes to States Members' remuneration.

Annual updating in line with AEI

122. Statistics Jersey typically publish the AEI data at the end of August. There are benefits to reducing the time lag between the data on which the AEI is based (June of that year) and the resultant changes to States Members' salary so that it continues to be reflective of the economic conditions experienced by constituents. However, time is also needed to carry out salary calculations and implement the necessary payroll adjustments so it would be impractical to apply the change from 1 September. I therefore propose that the annual updating should take effect on 1 October each year.

123. States Members' salaries last changed on 1 June 2022. Most public servants' salaries are reviewed annually, unless multi-annual pay arrangements have been specifically agreed with the relevant Unions. Consequently, I do not think it would be fair to States Members to wait until next year before updating their salaries. As noted above, the salary has already fallen below the indicative range identified by the SMRRB. I therefore propose to make the initial

change to States Members' salaries, in line with the change indicated by the 2023 AEI, with effect from 1 October 2023.

Adjustment to 'employer' pension contribution

124. For simplicity, I propose that the increase to the employer contribution should take effect from the same date as the initial updating of salary to reflect AEI, so from 1 October 2023.

Change to loss of office payment

125. As discussed in paragraph 88 above, I do not think it is fair to change the amount of loss of office entitlement until after the next election, because individuals may have made choices before the last election on the basis of the current arrangements.

126. However, I propose that the eligibility should be changed with immediate effect so that at the next election those who will reach 20 years' service or more in 2026 would benefit from the payment whether they choose to stand again or not.

127. The new arrangements for calculating loss of office payments would take effect at the next election in 2026 and then apply to all States Members, whether previously elected or not.

Consultation Questions

Q17 Do you have any comments on the proposals for when the proposed changes should take effect? [paragraphs 121-127]

Next steps

128. Consultation of the public and the statutory consultees on these proposals is open until Tuesday 3 October.

129. Having considered the consultation responses I will prepare my final determination and set out the reasons for it. The final determination will be sent to the States Assembly's Privileges and Procedures Committee, which will present it to the next sitting of the States Assembly. It will also be published.

130. The legislation requires that this process is completed no later than 15 February 2024.

Summary of questions for consultation

1. Do you have any comment on the description of the role of the States Assembly and States Members, or the key points identified as relevant for the remuneration review? [paragraphs 6-29]
2. Do you have any comments on the proposed approach to deciding States Members' pay? [paragraphs 30-40]
3. Do you have any comments on the description of what States Members are currently paid? [paragraphs 41-44]
4. Do you have any comments on the proposed approach to benchmarking States Members' salaries? [paragraphs 45-51]
5. Do you have any comments on the proposed approach to States Members' pension contributions? [paragraphs 52-56]
6. Do you have any comment on the proposed approach to updating States Members' pay in line with Jersey's Average Earnings Index? [paragraphs 57-73]
7. Do you agree with the proposed approach to loss of office payments at the 2026 election? [paragraphs 88-90]
8. Do you agree with the proposed approach to loss of office payments at subsequent elections? [paragraphs 74-87]
9. Do you have any comments on the transition for new States Members? [paragraphs 92-96]
10. Do you have any comments on the proposal not to allow States Members to decline their salary? [paragraphs 97-98]
11. Do you have any comments on the recommendation relating to the States Employment Board? [paragraphs 99-102]
12. Do you have any comments on the recommendation relating to changing statute to allow the payment of an additional salary to Ministers? [paragraphs 103-106]
13. Do you have any comments on the recommendations relating to participation in the scrutiny function? [paragraphs 107-111]
14. Do you agree that if the size of the States Assembly increased, States Member salaries should be proportionately reduced? [paragraphs 112-116]
15. Do you think that if the size of the States Assembly reduced, States Member salaries should be proportionately increased? [paragraphs 117-118]

16. Are there any practical considerations to be taken into account in further specifying the pay determination arising from the timing of the 2022 or 2026 elections? [paragraphs 119-120]
17. Do you have any comments on the proposals for when the proposed changes should take effect? [paragraphs 121-127]