

STATES OF JERSEY



DRAFT INCOME SUPPORT (AMENDMENT OF LAW No. 2) (JERSEY) REGULATIONS 201-

Lodged au Greffe on 12th May 2015
by the Minister for Social Security

STATES GREFFE



Jersey

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REPORT

1. Executive summary

The improving economic climate and the success of the “Back to Work” initiatives over the last 3 years have provided the Social Security Department with the opportunity to enhance the support available to parents under the Income Support scheme and to co-ordinate the rules for parents more closely with current nursery provision available through the Education, Sport and Culture Department (ESC).

A set of 3 separate amendments to the Income Support legislation combine to provide the following changes –

- the alignment of the beginning of job-seeking activities for parents and the start of nursery education for the child
- an increase in the rate of funding for child care paid through Income Support
- a broader definition of child care that can be supported through Income Support
- flexibility in actively seeking work responsibilities to allow both parents to share the care of a young child.

The Minister firmly believes that helping parents progress into employment leads to a range of economic and social benefits for the family, and that it is counter-productive to allow low-income parents to remain outside the workforce for long periods of time. Support is now available to help them return to work and secure a greater likelihood of economic independence. Increasing the range and affordability of child care will help parents to take up the offer of a job.

The proposed changes support other States policies and the recently approved Strategic Plan. The proposals –

- remove barriers to employment and increase workforce participation
- reduce the need for inward migration
- are aligned with the 1,001 days policy
- are supported by the introduction of family-friendly employment rights with effect from September 2015.

The opportunity is also taken to make a number of separate, minor changes to Income Support legislation to ensure that the legislation is up-to-date and minor anomalies are removed.

2. Structure of legal changes

In parallel with this proposed amendment, the Minister is also lodging the related Draft Income Support (Amendment) (Jersey) Law 201- (P.50/2015), and the Draft Income Support (Amendment No. 13) (Jersey) Regulations 201- (P.52/2015). All 3 items are described in brief below in order to provide an overview of the overall change. The full detail of the combined effect of all the proposed changes can be found in section 2 of the report accompanying the Draft Income Support (Amendment) (Jersey) Law 201-.

| <i>Proposal</i> | <i>Draft legislation to give effect to the proposal</i> |
|--|--|
| Definition of child care | Income Support (Amendment) (Jersey) Law 201- |
| Share the care of a young child | Income Support (Amendment) (Jersey) Law 201- |
| Amend the exemption from job-seeking activities for parents | Income Support (Amendment of Law No. 2) (Jersey) Regulations 201- |
| Increase the rate of funding for child care | Income Support (Amendment No. 13) (Jersey) Regulations 201- |

Draft Income Support (Amendment of Law No. 2) (Jersey) Regulations 201- (P.51/2015)

The Draft Income Support (Amendment of Law No. 2) (Jersey) Regulations 201- adjust the point at which a parent responsible for the care of a young child is required to be a person actively seeking work, by shifting that point from the child's 5th birthday, as it is now, to the date of 1st September (i.e. the start of the school year) before the child begins full-time education. This is the same point at which the child becomes eligible for assistance through the States-run Nursery Education Fund. The 'actively seeking work' activities will be realistic and proportional, and will recognise that some parents will need extra help before paid employment is a realistic outcome; but will not be optional. This change is likely to affect about 100 parents in the first year.

Draft Income Support (Amendment) (Jersey) Law 201- (P.50/2015)

Separately, the Draft Income Support (Amendment) (Jersey) Law 201- includes a new power that would allow the Minister, by Order, to approve a far broader range of child care options in future. If approved, the Department will be able to collaborate with other States departments, the charity sector and child care providers themselves to widen the options available to low-income parents.

It also introduces a new concept within the Income Support legislation, to allow working parents with a young child to undertake arrangements where both arrange their schedules together, so that they can each work reduced hours, as agreed with an officer of the Department. Currently, the legislation only allows for one parent to give up work full-time, whilst the other is always required to work or actively seek work on a full-time basis.

Draft Income Support (Amendment No. 13) (Jersey) Regulations 201- (P.52/2015)

Finally, the Draft Income Support (Amendment No. 13) (Jersey) Regulations 201- seek to increase the standard hourly rate at which child day care is paid through Income Support.

3. Requiring parents to engage with “Back to Work”

As stated, the proposed changes to the primary Income Support legislation support the Department’s aim to offer a greater package of assistance to low-income families with small children. The ultimate aim is to help more families into paid employment.

The main change to the current rules involves bringing forward the point at which a parent of a young child is expected to start engaging with the Department and begin preparing for a return to work. The changes replace the current point, which is the child’s 5th birthday, with a rule which is synchronized with the start of the year immediately before the first year of school, taking effect from 1st September. In effect, the parent will be required to engage with the Department at the start of the school year in which their child has their 4th birthday. This aligns with wider States policies concerning the provision of nursery care for children through the Nursery Education Fund. If these proposals are approved, the same point at which the parents become eligible for assistance from the Fund will be the point at which they are required to engage with “Back to Work”. It also removes the anomaly whereby parents of children with birthdays in July and August are not currently required to begin job-seeking activities until their child has completed their first year of compulsory schooling.

The existing Income Support rules are out of line with the experience of many working parents in Jersey, who choose to support their families by returning to the workforce as soon as their child is regularly at nursery. They are also generous when compared to other jurisdictions; as a comparison the rules in the UK’s Universal Credit require that parents attend interviews to discuss work readiness after the child’s first birthday, and begin actively preparing for work after the child’s third birthday.

4. Financial and manpower implications

There are no financial or manpower implications for the States arising directly from these changes. The impact of the overall changes to support for working parents is expected to be approximately cost-neutral, with additional child care costs balanced by additional income from employment. The Department already has the necessary staff required to deal with a greater number of parents requiring assistance with returning to the workforce.

Explanatory Note

These Regulations amend Article 3 of the Income Support (Jersey) Law 2007. Under the Law, a person must be in full time remunerative work in order to be eligible for income support. Article 3 describes persons who are exempt from that requirement. Currently, the exemptions include the following –

- (a) one person in a household will be exempt if the person has main responsibility for the physical care of a child under the age of 5 who is in the same household (Article 3(1)(b) of the principal Law);
- (b) one person in a household will be exempt if the person has main responsibility for the physical care of a child aged 5 or over who is in the same household, provided the person is engaged in or actively seeking work for such hours (if any) as a determining officer considers appropriate in the person's circumstances (Article 3(1)(c) of the principal Law).

These Regulations amend the date from which the exemption described in (a) ceases to apply and the exemption in (b) starts to apply. It should be noted that these exemptions are further amended by Article 3 of the Income Support (Amendment) (Jersey) Law 201- (P.50/2015)

Instead of being linked to the child attaining the age of 5, the exemption in (a) will cease to apply, and the exemption in (b) will start to apply, from the 1st September that is, or precedes, the child's 4th birthday.



Jersey

DRAFT INCOME SUPPORT (AMENDMENT OF LAW No. 2) (JERSEY) REGULATIONS 201-

Arrangement

Regulation

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|---|--|---|
| 1 | Article 3 of the Income Support (Jersey) Law 2007 amended..... | 9 |
| 2 | Citation and commencement..... | 9 |



Jersey

DRAFT INCOME SUPPORT (AMENDMENT OF LAW No. 2) (JERSEY) REGULATIONS 201-

Made [date to be inserted]
Coming into force [date to be inserted]

THE STATES, in pursuance of Article 3(3) of the Income Support (Jersey) Law 2007¹, have made the following Regulations –

1 Article 3 of the Income Support (Jersey) Law 2007 amended

In Article 3(1) of the Income Support (Jersey) Law 2007², for sub-paragraphs (b) and (c) there shall be substituted the following sub-paragraphs –

- “(b) persons with the main responsibility for the physical care of any child who is a member of the same household – until the 1st September that is or precedes the child’s 4th birthday;
- (c) persons with the main responsibility for the physical care of any child who is a member of the same household – from the 1st September described in sub-paragraph (b);”.

2 Citation and commencement

These Regulations may be cited as the Income Support (Amendment of Law No. 2) (Jersey) Regulations 201- and shall come into force on 1st September 2015.

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- ¹ *chapter 26.550*
² *chapter 26.550*