

**WRITTEN QUESTION TO THE PRESIDENT OF THE EMPLOYMENT AND SOCIAL SECURITY  
COMMITTEE BY THE DEPUTY OF ST. JOHN**

**ANSWER TO BE TABLED ON TUESDAY, 29th NOVEMBER 2005**

**Question**

Over the last nine months some contribution statements have been received by the public at very short notice, just days before the closing date of the 15th of the month in which the contribution falls due. What has caused this, what, if anything, is being done to rectify the problem, and has this caused claimants to lose any benefit?

**Answer**

The problem referred to in the question concerns self-employed contributors who have applied to pay earnings related Class 2 contributions. Employed contributors are handled differently but overall the statements for employed and self-employed contributors are now processed to the same timescale. Unlike employers, however, self-employed contributors are notified of their contribution liability at the beginning of the year and, therefore, are well aware of the amount that should be paid by the due dates in each quarter. The Department moved over to a new computer system on 10th January 2005, when contributions for October, November and December 2004 were being collected and opening balances calculated. In April and July 2005, the process dates for Class 2 contributions fell at the weekend causing a 2 day delay which meant that some, but not all statements for the self employed were received close to the deadline of 15th. After the Deputy's intervention the computer programmes were changed to ensure that these processes take place on the first day of the month, regardless of which day of the week to give the maximum time possible before the deadline. The only down side of this approach is that in cases of certified sickness where contribution credits are awarded, the exact contribution liability shown on the statement will need to be adjusted at a later date. The next stage in the Department's drive for efficiencies in the collection system is the use of direct debits which is currently being piloted by some self employed contributors.

No self employed contributor should have lost or been denied benefit because of this two day slippage as contribution payments are processed later in the quarterly cycle to count for future benefit entitlement. If there are real or theoretical examples of claimants losing benefit, the Department would be grateful to know.