

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY, 21st NOVEMBER 2006

Question

Would the Minister confirm the figures involving the spread of income support over income quintiles as suggested by him in debate on 24th October 2006, showing what the total cost would be if spread across the bottom, second and third quintiles rather than all in the bottom quintile?

When will the Minister bring accurate costed figures of what compensation is required for the impact GST on Income support to the Assembly?

Answer

The Household Expenditure Survey (HES) published in July 2006 described the income distribution found in the survey and split the households into income quintiles as follows -

Quintile	Part of distribution covered	Lower end of annual income
Lowest	0-20%	
2 nd	20-40%	£17,500
3 rd	40-60%	£28,000
4 th	60-80%	£40,000
5 th	80-100%	£63,000

As indicated in my previous answer at the last sitting, my contribution to the debate on the 24th October 2006, attempted to clarify perhaps erroneous assumptions that only households in the lowest income quintile will receive income support. This is not the case as household circumstances will dictate the level of any income support not just household income. For example a family of four, living in rented accommodation with a disabled adult and paying for childcare with an income of £29,000 will get some assistance through income support provided they meet other conditions. Another assumption that needs to be dispelled is that not all households in the lowest quintile will receive income support. For example a single householder, with income of £17,000 with no housing costs and not suffering from incapacity or disability will not get income support although the household income is in the lowest quintile.

The budget for income support is £64 million a year regardless of how payments are spread across income quintiles.

My Department is currently collecting data from known beneficiaries of the Housing and Social Security Departments which will allow iterative analysis to take place to determine a variety of important parameters of the income support scheme. From this analysis, I will be working with the Treasury and Resources Minister to provide a more accurate assessment for the amount needed to protect households receiving income support from the effects of GST. Ultimately however that will depend on the rate of GST and any exemptions of elements which may be catered for in the income support scheme. I will hope to have some information available by the end of January, which will be refined further as more data is collected.