

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

ANSWER TO BE TABLED ON TUESDAY 6th JUNE 2006

Question

Will the Minister inform members –

- (a) of the total number of LTIA claimants in receipt of benefit along with percentages of incapacity awarded and the total sum paid out for the year 2005?
- (b) of the number of claimants, and the total paid for Disablement and Invalidity Benefits separately for the year 2003, the last full year of operation under the old system;?
- (c) how many LTIA claimants have been successful in finding work, and the reasons for any who have been unsuccessful?
- (d) how much additional cost, if any, has been transferred from the Social Security system to Parish Welfare departments and to general tax revenues for native and non-native welfare payments as a result of the change to a system of percentage awards of LTIA, and if none the reasons why?

Answer

As the Deputy is aware, having contributed to it, a review of the Incapacity Benefit system is underway with a report due later this year which will cover the wider issues within these questions and therefore I have not attempted to anticipate the outcome of that review.

- (a) The total expenditure on Long-Term Incapacity Allowance (LTIA) in 2005 was: £1,421,000. In addition expenditure on legacy claims for Disablement Benefit (DB) and Invalidity Benefit (INV) were £3,703,000 and £18,131,000 respectively;

the total number of people in receipt of LTIA as at 31st December 2005, was 516. In addition, there were 854 people still receiving DB and 1,962 receiving INV. The initial percentage awards for the LTIA recipients are illustrated below –

% Incapacity	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100
No. of recipients	14	14	29	47	24	35	17	23	9	63	14	47	10	41	27	36	5	12	1	48

The percentages illustrate the long-term award; however, additional payments may be made over the short-term where, for example, someone is having an operation. The total expenditure of £23,255,000 for all three benefits was in 2005 and there were 3,332 long term benefit recipients at the 31st December 2005;

- (b) as at 31st December 2003, the number of people in receipt of Disablement Benefit was 828 and total expenditure for the year was £3,432,000. The number of people in receipt of Invalidity Benefit was 1,954 and the total expenditure for the year was £16,260,000, giving a total expenditure of £19,692,000 in 2003 and 2,782 long term benefit recipients at the end of the year;
- (c) 157 people (30%) of the 516 LTIA recipients as at December 2005 are showing as having paid Class I Social Security contributions while receiving LTIA. Some recipients of Invalidity Benefit have moved

voluntarily to LTIA and into open employment after a period of Therapeutic Work. However, it is not possible to list the many reasons why an LTIA recipient is not working: some may be undertaking training to find new roles while others may decide not to work. This aspect will be covered by the review;

- (d) it is impossible to estimate whether there has been a transfer of cost as a direct result of an LTIA award. As has been explained in answers to previous questions, the eligibility criteria for the present benefits differs from the previous benefits such that some people now receive benefit who would not have under the old system. Furthermore, the new system allows recipients to work where possible and thereby achieve a degree of financial independence. Therefore, in some cases, the financial cost to the Welfare system may be reduced. To give any estimate would require an individual review of each case and the Department is not privy to that information.