

**WRITTEN QUESTIONS TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY G.P.SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 26th SEPTEMBER 2006

Question

1. Would the Minister inform members whether the States of Jersey has any input into the management of the Jersey Electricity Company Limited's (JEC) pension scheme and, if not, the reasons why given that the States own 54% of the ordinary shares of the company?
2. What consideration, if any, has the Minister given to the introduction of a pensions law and pensions regulator in Jersey, using the principles of the U.K. Pensions Acts 1997 and 2004 and, if not, the reasons why?
3. Will the Minister outline what measures, if any, he will take to ensure that the pensions of current and future Jersey Telecom employees are protected following its projected sale?

Answer

1. The Jersey Electricity Company Limited's pension scheme is managed by a Board of Trustees that discharges its responsibilities in the interests of the schemes' beneficiaries and as such negotiates with the Board of the JEC. The pension scheme is a totally distinct legal entity and independent of the JEC. The Minister is not a Member of either the Board of Trustees or the Board of the JEC and as such has no direct management responsibility or powers.

The States currently holds 54 percent of the total share capital in the JEC. Of the remaining shares, 38 percent of the ordinary share capital is owned by private investors who have purchased their shares on the London Stock Exchange where the company has a full listing.

The Board of the JEC has, under the stock exchange regulations, an obligation to meet the objectives of its minority shareholders as well as to meet those of its majority shareholder, the States.

As a shareholder of a listed company the Minister has the opportunity to express to the Board his views on any matter but ultimately the Board is responsible for making decisions in the interests of the company, not any single shareholder.

2. As Minister for Treasury and Resources I have undertaken no work in this connection. It would be a matter for the Minister for Social Security to progress, if it were deemed appropriate, to do so.

The Strategic Plan includes a commitment to prepare and start to introduce a co-ordinated plan, including a review of pension provision to meet the challenges and opportunities presented by an ageing population. Consultation in respect of this initiative to be lead by the Social Security Department will include consideration of the need or otherwise for Pension Regulation.

3. I reiterate the comments I have made elsewhere. The Treasury and Resources Department is developing measures in conjunction with the Chief Minister's Department, the Law Officers' Department, the Committee of Management for PECRS and specialist advisers. Once these measures are fully researched they will be presented to the States for approval.