

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY S. PITMAN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 16th JUNE 2009**

Question

Would the Minister inform members how much it would cost the Department if, when assessing people in receipt of Long Term Incapacity Allowance (LTIA), Short Term Incapacity Allowance (STIA) and Invalidity benefit for Income support, this was not classed as income? Further, what the breakdown of these costs would be?

Would the Minister inform members how many times he has exercised his incumbent powers of discretion on decisions affecting applicants for special payments and childcare costs? What were these special payment applicants applying for? What was his decision on each case?

Would the Minister inform members how many recipients of LTIA have been informed by the Medical Board that they are able to work (thus receiving less benefit) but contrary to this decision have been informed by the recipient's GP that they can not work?

Would the Minister explain the logic as to why when a recipient of LTIA, STIA, and Invalidity Benefit receives an increase on this benefit, their Income Support is lowered?

Answer

The Deputy has covered three completely separate topics in this question. The first and fourth paragraphs relate to the relationship between contributory benefits and Income Support. The second paragraph relates to the discretionary powers of the Minister under the Income Support legislation. The third paragraph relates to the relationship between Long Term Incapacity Allowance and Short Term Incapacity Allowance. I will address these topics separately.

Relationship between contributory benefits and Income Support (questions posed in first and fourth paragraphs)

It is difficult to assess the cost of excluding Short Term Incapacity Allowance from the income calculation of Income Support as, by definition; it is a short-term benefit which many individuals will receive for a few weeks at a time. However, it is possible to identify the cost of excluding Long Term Incapacity Allowance and Invalidity Benefit, and this is estimated at £10 million per annum.

If these benefits were to be disregarded, individuals receiving contributory benefits and Income Support would be much better off than those on Income Support who were employed.

The concept of Income Support is to support the household income of families who would otherwise have difficulty in meeting basic living costs. In order to provide the appropriate amount of support, an assessment is made of all household income and assets. As household income increases, the amount of Income Support required to meet basic living costs reduces. In order to provide incentives to encourage individuals to take up paid employment and to save for retirement, some income from earnings and pensions is disregarded in the Income Support calculation. There are also disregards against other types of income including a 5% disregard on LTIA income. As income rises or falls, the Income Support benefit is adjusted to meet the new circumstances of the household and ensure that a basic income level is maintained

Ministerial discretionary powers under Income Support legislation (questions posed in second paragraph)

A similar question (4351) was asked by Deputy Southern with an answer tabled on 24 March 2009. Since that time the Minister has approved one further discretionary payment in respect of mortgage costs.

Relationship between LTIA and STIA (question posed in third paragraph)

LTIA is a benefit that is paid to working age adults who have suffered a long term loss of faculty. The benefit is payable irrespective of whether the individual is working or not working. A Medical Board assesses the loss of faculty of the individual, not the ability of the individual to work. The loss of faculty is expressed as a percentage and the benefit is paid at that percentage of the full rate of Social Security benefit (currently £172.83).

STIA is a short-term benefit that is paid to an individual who has been certified by their GP as being unable to work for a limited, fixed period of time. Someone receiving STIA is not permitted to undertake paid employment. STIA is paid at the full rate of Social Security benefit.

It is possible for an individual to have an LTIA claim and an STIA claim at the same time. For example, an individual with a partial amputation of one leg is entitled to an LTIA award of 50%. Their GP signs them off work for two weeks because they have a bout of bronchitis, and during that time they will receive a full rate of Social Security benefit (the equivalent of STIA, but made up of 50% LTIA and 50% STIA).