

2.7 Deputy S. Pitman of St. Helier of the Minister for Social Security regarding the impact of Long Term Incapacity Allowance increases on Income Support:

What happens to a person's income support when their long-term incapacity allowance increases and at what level of L.T.I.A. (Long Term Incapacity Allowance) is a person's income support disregarded?

Deputy I.J. Gorst (The Minister for Social Security):

The first half of this question was answered in a written answer to the Deputy on 16th June this year. As I explained at the time L.T.I.A. provides a benefit income to the claimant and as income increases income support decreases. For every extra £1 received in long-term incapacity allowance benefit income, the income support benefit is decreased by 95 pence. L.T.I.A. is a contributory benefit paid at a set rate if an individual has made sufficient social security contributions, regardless of their household circumstances or income. Income support is an income-related benefit which is available to low income households and is paid at a variable rate. The level of L.T.I.A. benefit does not depend on the income support received by a household.

2.7.1 Deputy G.P. Southern:

Is the Minister aware that L.T.I.A. is defined in law as a compensation for loss of faculty and should not, therefore, be regarded as income since it does not preclude anyone from working and increasing their income except that his terms suggest that you can go out and work for 5 pence in the pound?

Deputy I.J. Gorst:

The Deputy says my terms and he says that L.T.I.A. should be disregarded. It was a decision of this Assembly that it should not be. The previous Minister did, however, make and introduce the 5 per cent disregard and no Member at that time felt that that was either inappropriate nor was it appropriate. They made no changes to it and that is how it stands today.

2.7.2. Deputy G.P. Southern:

Will the current Minister review his position on this compensation for loss of faculty and attempt to increase the disregard otherwise it simply is a lie to suggest that income support is an in work benefit because there is very little benefit to be gained at all?

The Deputy Bailiff:

Deputy Southern, your question, I think you do not refer to a lie, you say it might be incorrect.

Deputy G.P. Southern:

If I did, Sir, I apologise.

Deputy I.J. Gorst:

To be fair to the Deputy, I think he was talking about the legislation rather than me as an individual. Whether you can purport such human characteristics to legislation I am not certain. Now I have forgotten what the question was. **[Laughter]**

Deputy G.P. Southern:

Will he review his position on this compensation for loss of faculty and will he increase the disregard?

Deputy I.J. Gorst:

The operation of L.T.I.A. will be reviewed next year as we review the whole of the Social Security Law, which is where L.T.I.A. payments come from. There is an argument about whether L.T.I.A. should be disregarded in relation to income and income support but I would say if we were going to consider that as an Assembly, there is also an argument to say that there should be more generous disregards for pension income because they are both arising from contributions that individuals have made. The current law is, as I say, as it stands. I am always prepared to review it but I am not certain that it would necessarily be a good use of the money that the department gets given every year to improve income support. Members, if they had felt strongly about it, could have brought an amendment to the increases and allocation of income support increased monies that I brought this Assembly earlier in the year. It is not an easy job to know where that money should be applied. I believe that I and my Assistant Minister approached it fairly and even-handedly and on the day Members - if I recall correctly - unanimously supported that proposal.

The Deputy Bailiff:

Minister, if you could wrap up your answers more swiftly that would be appreciated. Last question, Deputy Shona Pitman.

2.7.3 Deputy S. Pitman:

Just to say would the Minister not agree that for most - 99 per cent - of those people on L.T.I.A. it is not their fault that they find themselves on that because they have illness or an injury which has been caused by no fault of their own. I am not clear if ... I may have heard wrong, but if somebody is on a 100 per cent L.T.I.A. where does this leave the person with regard their income support. Also, could he tell us when does he expect this review to be completed next year?

Deputy I.J. Gorst:

I will try to be succinct. Sometimes questions require lengthy answers. The review will begin next year. I cannot at this stage say exactly when it will be completed but I hope that it will be completed in fairly early course because it ties-in with a proposition that Deputy Southern has got looking at supplementation, looking at the whole social security review. A person receiving 100 per cent L.T.I.A. will be obviously entitled to that. If they make an application for income support the staff in the department will consider using the modular approach - as she is fully aware - to consider what the Income Support Law defines as a reasonable level of income for that individual to live on. So it will, of course, be taken into the calculation as income that that person is in receipt of. Thank you.