

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

Question

Can the Minister confirm whether a single person with monthly earnings of around £1,200, with no dependants and receiving Income Support of around £40 per week towards rent of £650 per month for a 1-bed flat, will have this support removed following the removal of transition support and, if so, would the Minister demonstrate whether such a person will be better off in or out of work at current rates following this removal?

Answer

Given that gross monthly earnings of £1200 equates to a gross weekly income of £276.92 and a monthly rental of £650 is equivalent to a weekly rent of £150, the Income Support calculation is as follows:

Components:

Adult	£90.30
Household	£46.20
Accommodation	£148.82 (1 bed flat rate)

Maximum IS payable £285.32

Income

Gross earnings	£276.92
----------------	---------

Less

Social Security	£16.62
Earnings disregard	£27.69

Net income £232.61

Income Support is calculated as difference between components and net income

IS benefit: £285.32 - £232.61 = £52.71

On the assumption that the £40 identified in the question related to a "legacy" benefit for the individual (for example, rent rebate), the Income Support benefit is now in excess of the value of the legacy benefit and this individual is not receiving any protected payment. Therefore, the removal of transition support will have no effect upon their benefit level. The Income Support benefit of £52.71 represents an increase of over 30%, compared with £40.

Using the example suggested by the Deputy, this individual has a net income of £313.01 whilst in work (and having paid Social Security contributions). If the same individual was unemployed, they would receive a total of £285.32 per week, as long as they satisfied the actively seeking work conditions imposed under their jobseeker's agreement.