

#### **4.2 Deputy J.A. Martin of St. Helier of the Minister for Social Security regarding inappropriate deduction of social security contributions from redundancy payments:**

What advice, if any, is provided by the staff at Social Security Department to all local employers to ensure that they are aware that the employee 6 per cent social security contribution should not be taken from any redundancy payments, and will he undertake to ensure that any employees who have had this contribution taken from their redundancy pay in the last 2 years receive a full refund?

#### **Senator F. du H Le Gresley (The Minister for Social Security):**

The department sends every new employer who registers with the department written information and advice on their responsibilities under the law. Information on any changes in contribution legislation is circulated to all current employers. In addition, information is available on the States of Jersey website, which includes 2 tables headed "Items to include in an employee's gross wages" and "Items not to include in an employee's gross wages". These tables include entries for redundancy (pay not included), holiday pay and in lieu of notice (payments included). Employees contemplating redundancies will often contact the department to ensure that the correct procedures are followed. The Jersey Advisory and Conciliation Service also provides detailed information to employers. It is not possible for me to provide an undertaking to identify all employees who have been made redundant in the past 2 years as the department does not hold this information. I can confirm that in the last 2 years the department has only received one complaint on this matter, when it was discovered that the employer in question had made a genuine mistake. If any member of the public believes that contributions have been deducted in error from any redundancy payment they should contact the department for further advice.

#### **4.2.1 Deputy J.A. Martin:**

I am sure the Minister did not mean to mislead the House; when he says one complaint, he means from one employee, who is one of 200 people who have had their redundancy pay subject to social security. I am sure he does not mean to mislead the House but that would assume he has. The question is this firm, Social Security were buzzing around this firm giving advice to employees and staff on redundancy pay for the last 6 months, so why did the company decide to take social security from the wages? It is not done in the U.K. (United Kingdom) so did they make it up? There has been a failure in Social Security and I want the Minister to find out why because even today if you go down there with your wage slip people on the front desk do not know that this is wrong. I want the Minister to undertake some sort of responsibility and sort this one out. People are owed hundreds of pounds...

#### **The Bailiff:**

Your question, Deputy, is?

#### **Deputy J.A. Martin:**

The question is will he accept responsibility? It is not one complaint. There are at least 200 people that he knows about. Now how many other people have done this since we brought in this new law? Social Security themselves do not know.

#### **Senator F. du H. Le Gresley:**

I feel suitably scolded by the Deputy, however when I said there was only one complaint, I meant about one employer, not referring to the number of employees that might be employed by that employer. It is not possible for me to go into the details of one particular case; however I can advise Members that there is a requirement which we recently approved in this Assembly for any employer making 12 or more employees redundant to notify the Minister, that is myself, in advance. This enables my staff to go into the offices of the employer to meet the staff and go

through all the necessary advice and also advise the employer about their responsibilities with reference to social security contributions. So I do feel that the criticism that the Deputy is levelling at my department is unfair.

**4.2.2 Deputy G.P. Southern:**

One error in this area is one too many. Will the Minister circulate his list of employers, indicating that this procedure - the docking of social security payments from redundancy payments - should not happen?

**Senator F. du H. Le Gresley:**

I do not consider that it is necessary to do that. I have already explained that the information we give to employers makes it quite clear that redundancy payments should not have social security contributions deducted, it is on the website and, as I say, when we are notified of a redundancy we speak to the employer and the employees, if that is the wish of the employer. I do not believe it is necessary.

**4.2.3 Deputy G.P. Southern:**

If I may, a supplementary? Given the presence of his officers in this particular company the error still seems to have occurred. Does he not agree that it is insufficient to take the measures that he already has done and further measures are required?

**Senator F. du H. Le Gresley:**

No, I do not agree.

**4.2.4 Deputy J.A. Martin:**

I am very sorry the Minister has taken this attitude because he really has the responsibility. In this House when we knew this large company was going to be making redundancies, he said that they were working closely with officers and staff. The misinformation that has circulated, even to people being made redundant... Staff from Social Security has said: "If you are getting redundancy do not come back for X amount of weeks which you are being paid redundancy for." It is ridiculous.

**The Bailiff:**

You are coming to your question then, Deputy.

**Deputy J.A. Martin:**

I am sorry, I have to push the Minister on this. I want him to make this known. I want him to do an internal review and find out who was working in this company and how they came to the conclusion that Social Security needed to be taken. National Insurance is not taken through redundancy...30,000 in taxes taken into consideration, so we have the same system. Did they make this one up? Now the Minister for Social Security must take some form of responsibility and get this audited or we will have to keep on about this and keep informing the public. There are people out there who are owed money and they do not even know it and the Minister is refusing to take any responsibility.

**The Bailiff:**

You must come to a question, Deputy. We have not had one so far, I do not think.

**Deputy J.A. Martin:**

Sorry, I absolutely want him to reconsider. I have been dealing with this...

**The Bailiff:**

Right, you have asked it. Will you reconsider, Minister?

**Senator F. du H. Le Gresley:**

I understand the concern of the Deputy about this particular complaint and my officers tell me it was a genuine mistake made by the company in question. We are working with that company to make sure that any employees who have had deductions are reimbursed, but initially our job is to reimburse the employer who in turn reimburses the employee. There is nothing more to be done. There is no investigation required. An error has occurred and it is being put right.

[10:00]

**The Bailiff:**

Just before we come to the next question, I have just been advised there are 2 members of the Electoral Commission in the Assembly watching our proceedings, Mr. Storm and Professor Sallis, so no doubt Members would wish to just welcome them and trust that they learn from this experience. **[Approbation]**