

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 15th MAY 2012**

Question

In the light of his predecessor's decision to increase the Social Security contributions from the self employed by 2% on earnings above the upper limit (circa £45,000), what progress, if any, has the Minister made in developing a more flexible system for contributions to replace the simplistic two contribution classes of Class 1 (employees) and Class 2 (everyone else) which has been in place since 1974?

Will the Minister bring proposals to the Assembly to modernise the Social Security contributions system to accommodate today's employment conditions and, if so, when?

Answer

In line with the agreed Fiscal Strategy Review, my Department worked extremely hard last year to develop and implement a new 2% contribution rate in respect of employers and the self-employed on earnings above the standard earnings limit.

During 2011 it was acknowledged that a number of aspects of the contribution system would need to be reviewed but that it would not be possible to address all these issues in advance of January 2012.

Given the need to concentrate on the Back To Work programme and other major projects such as the introduction of a Long-Term Care benefit and Discrimination legislation, the Department will not start work on a review of the contribution system in 2012 but this will commence during the period of the current Strategic Plan.