

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 20th OCTOBER 2015**

Question

Given the low income threshold derived from the Income Distribution Survey 2009-2010 after housing costs (£348) will the Minister detail for members what impact benefits cuts have had relative to this low income threshold on:

- lone parents;
- people with disability;
- new pensioners; and
- current pensioners?

Answer

The “low income threshold” that the Deputy refers to is the ‘relative low income threshold’ published in the 2009/2010 Income Distribution Survey¹ adjusted upwards by the change in average earnings since then. The answer to Written Question no. 9013 explains this in more detail.

Difficult choices were needed to identify the benefit proposals put forward. Those choices sought to ensure that the benefit system is fair, encourages financial independence, is well targeted and changes are spread across large groups to minimise individual impact.

As set out in detail in the propositions, comments and speeches in respect of the MTFP debate, as far as possible benefit levels have been held steady, rather than cut, to achieve the agreed contribution towards the total of £145 million to allow significant investment in health, education and economic growth by 2019. This will benefit all households, including those with relative low incomes.

Holding some Income Support components at their current level until October 2017 creates a substantial saving in the future budget, but does not cut the amount of benefit that households claiming Income Support are entitled to.

The Medium Term Financial Plan Annex and the reports supporting the benefit proposals that were debated by the States (for example, P102/2015) describes all the benefit changes and the impact of each of those benefit changes in further detail. By household group, the key points are:

- **Lone parents:** Existing lone parents who claim Income Support will see the additional £40 a week single parent component phased out by 2019, but will benefit from the increase in the disregard for maintenance income if they have a maintenance agreement with their ex-partner. They will also have increased support in finding employment and with the costs of childcare.
- **People with disability:** People of all ages with a disability who claim Income Support will continue to receive extra help with personal care costs, mobility costs and GP costs through the impairment component and this will not be reduced. The Long Term Incapacity Allowance (LTIA) available to working age people with a loss of faculty will not be reduced either. The current Income Support disregard of 6% against LTIA income will be removed. This is explained in more detail in the answer to Written Question no. 9012.

¹ <http://www.gov.je/Government/Pages/StatesReports.aspx?ReportID=457>

- **Current pensioners:** Current pensioners will not receive the Christmas Bonus of about £85 (about £1.60 a week) from 2016 onwards. All pensioners who do not pay Income Tax will benefit from an improved 65+ Health Scheme.
- **Future pensioners:** Future pensioners will not receive the Christmas Bonus from 2016 onwards. Future pensioners who claim Income Support will receive a pension allowance of 23% of their pension income in their Income Support benefit calculation. This provides an incentive for working age people to provide for their retirement. All pensioners who do not pay Income Tax will benefit from an improved 65+ Health Scheme.