

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST.HELIER
ANSWER TO BE TABLED ON TUESDAY 16th JUNE 2015**

Question

Under what circumstances will public sector employees who take up voluntary redundancy as part of the initiative to shed States positions be subject to sanctions (benefit reduced by £92 for 13 weeks) as indicated on the relevant section of www.gov.je?

In more general terms, how is eligibility for benefit payments affected by voluntary redundancy payments?

Answer

The Deputy is referring to the effect of benefit sanctions on Income Support entitlement.

The Income Support scheme is designed to assist households that do not have sufficient income to meet their basic needs. It requires working age adults to take up and remain in employment to support themselves as far as possible. Financial penalties, or sanctions, are included within the Income Support system in respect of working age adults who give up work voluntarily.

The same rules apply for both public and private sector workers. Any person who is claiming or intending to claim Income Support, and accepts a voluntary redundancy package, is likely to incur a financial sanction for giving up work without good cause. The sanction will have the effect of reducing their Income Support entitlement by the value of their adult component for a period of 13 weeks.

For Income Support purposes, voluntary redundancy payments are treated as earnings, and will be applied to a person's claim at their normal rate of pay. If a person aged under 65 is claiming or tries to claim Income Support after accepting a voluntary redundancy package, they may also be expected to register as a jobseeker, even if they have decided to claim the Old Age Pension from the age of 60 or 63.

Social Security contributions aren't deducted from voluntary redundancy payments but will still be due on any wages or outstanding holiday pay that are received as part of the final pay packet. If a person accepts a voluntary redundancy package they will in most cases be expected to maintain their contributions.

As noted in the question, detailed information is available to public sector workers considering offers of voluntary redundancy or early retirement and individuals should always speak to Social Security before making any long-term decisions, and should not expect to rely on Income Support as a substitute for wages.