

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY THE DEPUTY OF ST. OUEN
ANSWER TO BE TABLED ON TUESDAY 8TH MARCH 2016**

Question

Would the Minister advise what additional amount of Income Tax the Comptroller of Taxes expects to collect as a result of assessing Social Security pension entitlement in 2015 over 53 weeks instead of the usual 52 weeks? Furthermore, what is the estimated number of pensioners who are likely to become liable for Income Tax for 2015 only as a result of having to declare an additional week's pension entitlement? Of that figure, how many are single pensioners and how many are married or in civil partnerships?

Answer

The Income Tax Law obliges the Comptroller to collect tax on pension income which has arisen in any year. Old age pension technically arises every Thursday but it is paid four weeks in advance.

Where pensioners have received an additional week's pension income in those years with 53 Thursdays, that additional income will be taxed at the marginal or standard rate depending upon the taxpayer's overall income for that year. The Comptroller has not estimated what tax will be collected from that.

Based on individuals having a full pension record, the Comptroller currently estimates that up to 45 households could pay income tax for the first time as a result of declaring an extra week's pension income: around 20 single people; and around 25 couples. This is an over-estimate as only a minority of local pensioners receive a full 100% Jersey pension. It should be noted that the taxpayers in this group would all need additional income to bring them close to the threshold level. This could be from an occupational or private pension, earnings and/or other income.

For pensioners solely reliant upon the States pension, no tax liability would arise as the tax exemption thresholds are around 50% higher than the maximum level of States pension as indicated in the table below.

	Maximum Old Age Pension Receivable in 2015	2015 Tax Exemption Threshold
Single Pensioner	£10,498	£15,900
Married Pensioner	£17,430	£26,100