

5.3 Deputy G.P. Southern of St. Helier of the Minister for Social Security regarding steps to cut the living standards of the 30 per cent of pensioners in receipt of the States pension alone:

Can the Minister explain why she has taken steps to cut the living standards of the 30 per cent of pensioners in receipt of the States pension alone and who rely on income support?

Deputy S.J. Pinel of St. Clement (The Minister for Social Security):

This is the latest in a long line of similar questions submitted by the Deputy and it is disappointing that his wording suggests a lack of understanding on the decisions taken by the States. The States have endorsed benefit changes to reduce the total benefit budget by nearly £10 million in 2019 to help to support growth in key areas such as health services. In particular, new income support claims from pensioners, from 2016 onwards, will receive a percentage allowance against their pension income rather than a fixed value allowance. This improves the fairness of the income support system and provides a financial incentive for low income workers to make provision for their old age. All existing old-age pensioner claims will continue to receive their existing allowance and there has been no change or cut in this area. It is not correct to imply that pensioners who currently rely on income support have been singled out for additional cuts. They have not.

5.3.1 Deputy G.P. Southern:

There is no inference that they have been singled out, nonetheless they are receiving, if they join the scheme in this year... the very poorest of our pensioners who have to rely on income support are having a reduced disregard compared to last year's. So there are between 60 and 70 perhaps pensioners asked to live off under £200 a week and who claim income support in order to survive and they have been ...

The Deputy Bailiff:

Could you ask a question please, Deputy?

Deputy G.P. Southern:

They have been made. The Minister knows that they have been made of the order of £20 a week worse off than they would have been previously without her changes. Can she explain why she wants to do this to our pensioners?

Deputy S.J. Pinel:

As I said in my previous answer, this is to establish fairness across the board with pensioners. Those pensioners who have made preparation for their old age so far have the same disregard as those who have made no preparation for their old-age pension whatsoever. This seems to be blatantly unfair and this is a method of correcting that. It will only affect new pensioners coming into the scheme and about 60 of these 200 coming into the scheme will be fully reliant on a combination of their social security pension and their income support benefits. The remaining 140 will have more income on top of the social security pension.

5.3.2 Deputy S.Y. Mézec of St. Helier:

A quick question. On what planet is the definition of the word "fairness" to make the worst-off pensioners even more worse off? On what planet is that the definition of the word "fairness"?

Deputy S.J. Pinel:

As I have said several times, this is to make the whole situation fairer to those who have made a big contribution to thinking about planning for their old age compared with those who have not.

5.3.3 Deputy M. Tadier of St. Brelade:

Does the Minister not accept that by pushing the most vulnerable individuals in society who have very little already and no disposable income to save, taking what they have to live on each week in making that less, does not incentivise those individuals to save even before they reach pension age?

Deputy S.J. Pinel:

The Social Security Department are going to work ... or will be working, as it said in the Medium Term Financial Plan, with the Minister for Treasury and Resources to further encourage workplace pensions. The new pensioners coming into the scheme will of course have the benefit of the cold weather bonus and of course the 65-plus health scheme.

5.3.4 Deputy M. Tadier:

Does the Minister not accept that neither the financial crisis nor the £145 million projected deficit is the fault of those at the lower end, those middle and lower income earners, and that she and her Council of Ministers really need to start targeting their efficiency savings and their extra income at those who can afford it and not making the poorest in our society pay for their mistakes over the last few years?

Deputy S.J. Pinel:

As the Deputy well knows, a social security review has already started and will continue throughout this year, which will look at all contributions into the scheme and the level at which they are paid and the capping of that.

5.3.5 Deputy G.P. Southern:

It amuses me what definitions of fairness we have got around here. Can I just clarify with the Minister the fact that on the written answer she has given to my question on pensioners, the new single pensioner household median total income before income support is £200 a week. Median, meaning half our new pensioners having less than £200 and half having more. She intends to reward those with more by giving them more in the disregard and to take away from those with least by moving the disregard. That she is making half of our new pensioners worse off than they would otherwise have been by her mean-minded, mean-spirited decision to take away money from these people.

The Deputy Bailiff:

Deputy, was that a question at all? Could you tell us what the question was in a single sentence?

Deputy G.P. Southern:

Does she agree with that?

Deputy S.J. Pinel:

I am sorry, I am not quite sure what I am supposed to be agreeing with.

Deputy G.P. Southern:

Is the Minister aware that ...

The Deputy Bailiff:

No, I am sorry, Deputy.

Deputy G.P. Southern:

She just said she did not understand the question.

The Deputy Bailiff:

No, sorry. A question must be succinct. That is in accordance with Standing Orders. If a lot of information is deployed in advance of a "Does the Minister agree?" then that question is technically out of order. The Minister has had difficulty answering it; that is the end of it.

Deputy G.P. Southern:

May I succinctly put what the question was?

The Deputy Bailiff:

No, that is the end of this question. Thank you.

Deputy G.P. Southern:

Thank you, Sir.