

2019.10.22

16 Deputy K.F. Morel of the Minister for Social Security regarding the number of people claiming the state pension: (OQ.260/2019)

Is there a difference between the number of people who the Minister's Department estimates are eligible to receive the state pension and the number of people who claim it and, if so, what is the difference?

Deputy J.A. Martin (The Minister for Social Security):

Yes, there is a difference. The Customer and Local Services Department maintains the contribution records for all workers who have been employed in Jersey. These include people still living in Jersey and people who have now left. Each year there will be a certain number of ex-Jersey residents who could and do claim a pension from overseas and there are also some who do not. So, the difference is very hard to measure and it can change on a weekly, or monthly, basis, but there is a difference.

3.16.1 Deputy K.F. Morel:

I would be grateful if the Minister could, not necessarily today but at some point, provide an estimate of the difference then. Given that there is a difference, how does the Minister take into account this potential liability when assessing the long-term sustainability of the Social Security Fund?

Deputy J.A. Martin:

I will try and get those figures the Deputy asked for. Yes, the Government also includes similar scenarios. They look at past records. How many people have done the 54 months? How many people have gone abroad? How many people are not claiming? So, they are taken into consideration, but we do have a liability there. We are now on the worldwide web. We put out all the information. I know many people in this Assembly and I have many friends who have worked in the U.K. (United Kingdom) and they are going to claim their bit, 5 years, 10 years, or whatever they need. We will have a liability. It is taken into consideration and I will try and get the Deputy those exact figures on a different monthly basis, so we can see how much that money is.

3.16.2 Deputy K.F. Morel:

I was just wondering, given that there is a difference and given that clearly some people are happy not to receive their pensions, in order to perhaps formalise that arrangement and, therefore, be able to remove some of that liability, has the Minister ever considered offering an opt-out from receiving a state pension for those who perhaps feel that they do not need it, or do not wish to receive it?

[11:30]

Deputy J.A. Martin:

This goes to some consideration we are doing. I am on the Migration Policy Development Board and it is about seasonal workers. This is not being ruled out, because we will have a worker who can come here and it is not a set 54 months, as long as they have done their 54 months they then, in latter years, will have a pension claim, but that is all that they have. It rules them out of certain other benefits while on Island. I absolutely agree with the Deputy, this is work we are looking at. We want to encourage short-term workers. We do not want to take money off them that they might not get, with pension rates going up, for another 50 years; so absolutely this is on the table. It is being discussed openly of how we attract ... and we do not have liabilities, but we also do not ask

people to pay money that they cannot afford for a short amount of time that they will not get any benefit for.