

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY K.F. MOREL OF ST. LAWRENCE
ANSWER TO BE TABLED ON TUESDAY 15th JANUARY 2019**

Question

Will the Minister advise whether non-resident self-employed and employed carers who work in the Island to provide 'live-in care' are required to pay Income Tax and / or Social Security in Jersey; and, if so, will the Minister provide details of the legal structure under which they are required to do so and, if not, will the Minister explain why that is not the case?

Answer

The Deputy's question focuses specifically on carers who work in the Island. It should be noted however that the tax rules that apply to determine the tax residency and exposure to Jersey tax of carers are no different to the rules that apply to all individuals. There are no special dispensations for carers within Jersey tax law.

In the case of a non-resident carer that is paid directly by a Jersey resident individual, company, care home or agency, that individual will be liable to Jersey tax on the income/profits earned (irrespective of whether they are employed or self-employed) as their income arises in the Island and is in respect of duties performed here.

If, however, the non-resident individual is employed by a non-Jersey agency to provide short term care in the Island, and it is the non-Jersey agency that is paid for the services of that individual then it is possible that the individual will not be liable to Jersey tax on the income earned. The liability or otherwise will be determined on whether or not there is a Double Tax Arrangement (DTA) in place with the jurisdiction in which they are resident, and the specific terms of that DTA. For example, if the individual is a resident of the UK for tax purposes, is in Jersey for less than 183 days in the tax year, and will pay tax in the UK on the income earned in Jersey, then it is likely, in accordance with the Jersey/United Kingdom DTA that they will not be liable to Jersey tax on that income. Furthermore, the UK Agency will not pay tax on the profits arising to them from the Jersey services unless they are trading through a Jersey permanent establishment.

In regard to social security contributions, there are three potential scenarios:-

1. Detached worker: where an individual is employed by a UK company and paying National Insurance in the UK (evidenced by way of payslips) the individual will not enter the Jersey social security scheme.
2. Worker contracted by a Jersey employer (company or individual): the individual will be registered with social security as Class 1 (employed) – with effect from the first day of employment. As such, social security contributions will be deducted from their wages.
3. Self-employed: the individual is registered as Class 2 and will benefit from a six month grace period after which they will be required to pay social security contributions.