

STATES OF DELIBERATION

29th July, 2009

Billet d'État No. XXI (Volume II) Article 10

AMENDMENT

Proposed by: Deputy M J Fallaize
Seconded by: Deputy S J McManus

Social Security Department – Financing of Contributory Social Security Schemes

1. In Proposition 2 to delete the words “over a 5 year phasing-in period” and replace them with the words “from 1 January 2010”.
2. To re-number proposition 8 as 9, and add a new proposition 8 as follows:

“Notwithstanding propositions 6 and 7, that the aggregate amount of the grants from general revenue to the Guernsey Insurance Fund and the Guernsey Health Service Fund shall be subject to the following reductions:

in 2010 – a reduction of £4.103m
in 2011 – a reduction of £3.149m
in 2012 – a reduction of £1.934m
in 2013 – a reduction of £0.900m”

EXPLANATORY NOTE

The Social Security Department is proposing that the upper earnings limit or upper income limit for the employed, self-employed and non-employed should be increased to the upper earnings limit applicable to employers' contributions (from £69,108 p.a. to £115,128 p.a. in 2009 terms).

The Department is recommending that this change should be phased-in over a period of five years. This amendment proposes that it should have effect from 2010.

This amendment is revenue-neutral for funds under the management of the Social Security Department. But the amendment represents a saving to States general revenue of approximately £10.1m over the four-year period 2010-13.

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**Billet d'État No. XXI (Volume II)
Article 10**

Social Security Department

Financing of Contributory Social Security Schemes

AMENDMENT

Proposed by: Deputy M M Lowe

Seconded by: Deputy S J Ogier

To replace Proposition 1 with the following:

“1. That, from January 2010, the percentage contribution rate for employed people, self-employed people, and non-employed people under 65, be increased by 0.6%.”;

and to substitute “0.6%” for “0.5%” in Proposition 3.

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**Billet d'État No. XXI (Volume II)
Article 10**

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Proposed by: Deputy R R Matthews
Seconded by: Deputy

**Social Security Department
Financing of Contributory Social Security Schemes**

In Proposition 1, to delete '2 months per year, starting in 2020' and substitute '3 months per year, starting in 2015'

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Proposed by: Deputy R R Matthews
Seconded by: Deputy

**Social Security Department
Financing of Contributory Social Security Schemes**

To add a Proposition 9 as follows:-

- "9. To instruct the Social Security Department to report back to the States on appropriate schemes to permit commuted or enhanced pensions at differing pension ages on retirement."

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Proposed by: Deputy R R Matthews
Seconded by: Deputy

**Social Security Department
Financing of Contributory Social Security Schemes**

To replace Proposition 2 with the following:

“2. That from 1 January 2010 the upper earnings limit or upper income limit for employed, self-employed and non-employed people, including people over 65 years of age, be removed.”.

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Proposed by: Deputy R R Matthews
Seconded by: Deputy

**Social Security Department
Financing of Contributory Social Security Schemes**

In Proposition 5, to delete ' be increased from 2.6% of income to 2.9% of income' and substitute 'shall be 1.5% of income between 6,178 and 12,000, and 3% on income between 12,001 and 25,000 and 4.5% on income above that level'.