

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

25th November, 2016

Proposition No. P.2016/54

AMENDMENT

Proposed by: Deputy M K Le Clerc

Seconded by: Deputy S L Langlois

Committee for Employment & Social Security

To amend the draft Ordinance entitled "The Social Insurance (Rates of Contributions and Benefits, etc.) Ordinance, 2016" as follows –

(a) in the Preamble –

- (i) for "their Resolution of the ** November, 2016", substitute "their Resolutions of the 30th October, 2015 and the 3rd November, 2016", and
- (ii) immediately after "8," where first appearing, insert "17(2)," and

(b) immediately after section 8 insert the following section –

"Variation of the Law as to the States' grant.

8A. In section 17(1) of the Law, for "fifteen per centum" substitute "14.7 per centum".

Explanatory Note

This proposed amendment to the draft Social Insurance (Rates of Contributions and Benefits, etc.) Ordinance, 2016 is to correct an omission and give effect to a Resolution of the States. The amendment will reduce the percentage rate of the States grant to the Guernsey Insurance Fund from 15% to 14.7% of contribution income, with effect from 1st January 2017, as approved by the States on 30th October 2015 following consideration of the former Social Security Department's Policy Letter entitled "Benefit and Contribution Rates for 2016" (Billet d'État XVIII of 2015).

This reduction in the percentage rate of the States grant, which is funded from General Revenue, is necessary in order to retain the monetary value of the 2017 grant at

approximately the 2016 level despite the increase in contribution income which will arise as a result of increasing both the employees' and the employers' contribution rates by 0.1%, which was also approved by the States on 30th October 2015 in order to fund the new parental benefits which are due to enter into force on 1st January 2017.