

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

**THE SOCIAL INSURANCE (RATES OF CONTRIBUTIONS AND BENEFITS, ETC.)
ORDINANCE, 2020**

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Social Insurance (Rates of Contributions and Benefits, etc.) Ordinance, 2020", and to direct that the same shall have effect as an Ordinance of the States.

This proposition has been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

EXPLANATORY MEMORANDUM

This Ordinance sets the percentage rates of Class 1 to 3 social insurance contributions which are unchanged for 2021. It sets the upper and lower income limits, amounts of contributions and the Class 3 income allowance; it also increases the amounts of the contributory social insurance benefits set out in the First Schedule. All limits and benefits are increased by 2.6%. The Ordinance prescribes the percentages for the Guernsey Health Service Fund Allocation and the Long-term Care Insurance Fund Allocation, which are unchanged from those set for 2020. The Ordinance comes into force on 1st January, 2021, except for section 7 in relation to social insurance benefits which comes into force on the 4th January, 2021.

The Social Insurance (Rates of Contributions and Benefits, etc.) Ordinance, 2020

THE STATES, in pursuance of their Resolution of the 18th August, 2020^a, and in exercise of the powers conferred upon them by sections 5, 6, 8, 19, 48(2), 49(4), 61, 101, 101A and 116 of the Social Insurance (Guernsey) Law, 1978^b, and all other powers enabling them in that behalf, hereby order:-

Percentage rates of primary and secondary Class 1 contributions.

1. For the purposes of the Social Insurance (Guernsey) Law, 1978, ("the Law") -

- (a) the percentage rate of a primary Class 1 contribution shall be 6.6%, and
- (b) the percentage rate of a secondary Class 1 contribution shall be 6.6%.

^a Article IV of Billet d'État No. XVI of 2020.

^b Ordres en Conseil Vol. XXVI, p. 292; amended by Ordres en Conseil Vol. XXVII, pp. 238, 307 and 392; Vol. XXIX, pp. 24, 148 and 422; Vol XXXI, p. 278; Vol. XXXII, p. 59; Vol. XXXIV, p. 510; Vol. XXXV(1), p. 161; Vol. XXXVI, pp. 123 and 343; Vol. XXXVIII, p. 59; Vol. XXXIX, p. 107; Order in Council No. X of 2000; No. IX of 2001; No. XXIII of 2002; No. XXIV of 2003; No. XI of 2004; No. XVIII of 2007; No. V of 2012; No. IV of 2014; No. III of 2016; No. IV of 2018 and No. XIII of 2019; Recueil d'Ordonnances Tome XXV, p. 148; Tome XXVI, p. 177; Ordinance No. XXXIII of 2003; No. XLIV of 2007; Nos. VII and XLII of 2009; No. XVII of 2011; No. XXXVIII of 2012; No. XXX of 2013; Nos. IX and XXX of 2016; Nos. XIII and XXIII of 2017; No. XXVII of 2018 and No. XXXVI of 2019; and Alderney Ordinance No. VIII of 2018.

Upper weekly and upper monthly earnings limits for the purpose of Class 1 contributions.

2. For the purposes of the Law -
 - (a) the upper weekly earnings limit for primary and secondary Class 1 contributions shall be £2,955, and
 - (b) the upper monthly earnings limit for primary and secondary Class 1 contributions shall be £12,805.

Lower income limit.

3. For the purposes of the Law, the lower income limit for Class 3 contributions shall be £19,240 per annum.

Percentage rate and amount of Class 2 contributions.

4. For the purposes of the Law -
 - (a) the percentage rate of a Class 2 contribution shall be, in respect of any person other than a person to whom the following paragraph of this section applies, 11.0%, and
 - (b) the amount of a Class 2 contribution shall be, in respect of an overseas voluntary contributor, being a person who is not resident in Guernsey and who, satisfying prescribed conditions, is desirous of paying Class 2 contributions under the Law, £111.69 per week.

Percentage rates and amount of Class 3 contributions.

5. (1) For the purposes of the Law –

(a) the percentage rates of a Class 3 contribution shall be –

(i) in respect of a voluntary contributor, being a person who is not liable to pay a Class 3 contribution but, satisfying prescribed conditions, is desirous of paying contributions in accordance with section 8(4) of the Law, 5.7%,

(ii) in respect of a person who has attained pensionable age, 3.4%, and

(iii) in respect of all other persons, 10.4%, and

(b) the amount of a Class 3 contribution shall be, in respect of an overseas voluntary contributor, being a person who is not resident in Guernsey and who, satisfying prescribed conditions, is desirous of paying Class 3 contributions under the Law, £101.03 per week.

(2) The percentage of a minimum Class 3 contribution payable in accordance with section 8(5) of the Law by a person who is normally in employed contributor's employment shall be 100%.

Amount of the Class 3 income allowance.

6. For the purposes of the Law, the amount of the Class 3 income allowance

shall be £8,695.

Rates and amounts of benefits.

7. (1) For the purposes of the Law, the weekly rate of each description of benefit set out in column 1 of Part I of the first schedule to this Ordinance shall be the rate specified in relation thereto in column 2, and the amounts by which that rate may be increased in respect of an adult dependant shall be the amount specified in column 3.

(2) For the purposes of the Law, where the extent of the disablement is assessed for the period to be taken into account as amounting to 20% or more, industrial disablement benefit shall be payable for that period at the appropriate weekly rate specified in Part II of the first schedule to this Ordinance.

(3) For the purposes of the Law, the amounts of death grant, maternity grant, adoption grant and bereavement payment shall be the appropriate amounts specified in relation thereto in Part III of the first schedule to this Ordinance.

Guernsey Health Service Fund Allocation and Long-term Care Insurance Fund Allocation.

8. The percentages determined in respect of the contribution year for the purposes of sections 101 (the Guernsey Health Service Fund Allocation) and 101A (the Long-term Care Insurance Fund Allocation) of the Law are those specified in columns 2 and 3 of the second schedule to this Ordinance of the aggregate amount paid in respect of each of the classes of contribution specified in column 1 of that schedule.

Repeal.

9. The Social Insurance (Rates of Contributions and Benefits, etc.)

Ordinance, 2019^c is repealed.

Interpretation.

10. In this Ordinance, "**prescribed conditions**" means conditions prescribed by Regulations under the Law.

Citation.

11. This Ordinance may be cited as the Social Insurance (Rates of Contributions and Benefits, etc.) Ordinance, 2020.

Extent.

12. This Ordinance shall have effect in the Islands of Guernsey, Alderney, Herm and Jethou.

Commencement.

13. (1) Section 7 of this Ordinance shall come into force on the 4th January, 2021.

(2) All other sections of this Ordinance shall come into force on the 1st January, 2021.

^c Ordinance No. XXIX of 2019.

FIRST SCHEDULE

Section 7

RATES AND AMOUNTS OF BENEFITS

PART I

**Benefit, other than industrial disablement benefit, death grant,
maternity grant, adoption grant and bereavement payment**

Description of Benefit (1)	Weekly rate (2)	Increase for adult dependant (where payable) (3)
1. Industrial injury benefit	£168.07	Nil
2. Incapacity benefit	£201.95	Nil
3. Maternal health allowance	£228.83	
4. Newborn care allowance	£228.83	
5. Parental allowance	£228.83	
6. Old age pension:		
(a) payable to a woman by virtue of her husband's insurance while he is alive	£114.39	-
(b) in any other case	£228.37	£114.39
7. Sickness benefit	£168.07	Nil
8. Unemployment benefit	£168.07	Nil
9. Widowed parent's allowance	£240.16	-
10. Widow's pension/Bereavement allowance	£206.50	-

PART II

Industrial disablement benefit

Degree of disablement	Weekly rate
100%	£184.03
90%	£165.63
80%	£147.23
70%	£128.82
60%	£110.42
50%	£92.02
40%	£73.61
30%	£55.21
20%	£36.81

PART III

Death grant, maternity grant, adoption grant and bereavement payment

Description of grant	Amount
1. Death grant	£657
2. Maternity grant	£421
3. Adoption grant	£421
4. Bereavement payment	£2,074

SECOND SCHEDULE

Section 8

GUERNSEY HEALTH SERVICE FUND ALLOCATION AND LONG-TERM CARE
INSURANCE FUND ALLOCATION

<p>Class and sub-class of contribution</p> <p>(1)</p>	<p>Health Service Fund Allocation</p> <p>(2)</p>	<p>Long-term Care Insurance Fund Allocation</p> <p>(3)</p>
<p>Class 1 secondary contributions paid in respect of employed persons of pensionable age (6.6%)</p>	<p>24.24%</p>	<p>Nil</p>
<p>Class 1 primary (6.6%) and secondary (6.6%) contributions other than those referred to above</p>	<p>21.97%</p>	<p>13.64%</p>
<p>Class 2 contributions paid in respect of overseas voluntary contributors</p>	<p>Nil</p>	<p>Nil</p>
<p>Class 2 contributions other than those referred to above (11.0%)</p>	<p>24.55%</p>	<p>16.36%</p>
<p>Class 3 contributions paid in respect of voluntary contributors (5.7%)</p>	<p>Nil</p>	<p>Nil</p>
<p>Class 3 contributions paid in respect of overseas voluntary contributors</p>	<p>Nil</p>	<p>Nil</p>
<p>Class 3 contributions paid by persons over the age of 65 years (3.4%)</p>	<p>38.24%</p>	<p>61.76%</p>
<p>Class 3 contributions other than those referred to above (10.4%)</p>	<p>26.92%</p>	<p>18.27%</p>