

STATES OF JERSEY



PROPOSED BUDGET (GOVERNMENT PLAN) 2026-2029 (P.70/2025): ELEVENTH AMENDMENT

OVERPAYMENTS OF SOCIAL SECURITY CONTRIBUTIONS

**Lodged au Greffe on 21st November 2025
by the Health and Social Security Scrutiny Panel
Earliest date for debate: 8th December 2025**

STATES GREFFE

PROPOSED BUDGET (GOVERNMENT PLAN) 2026-2029 (P.70/2025):
ELEVENTH AMENDMENT

1 PAGE 3, PARAGRAPH (b)(xii) –

After the words “in the Appendix to the accompanying report” insert the words –
“, except that on page 90 after the words “in other areas to be addressed.” there
should be inserted the words –

“Given the apparently strong financial position of the Social Security Fund which
has led the government to propose a reduction in the States grant, the Minister for
Social Security further commits to resolving overpayments of social security
contributions for those who have achieved a full contribution record to ensure a
fair deal for the individuals affected and will bring forward funding proposals
within the next Proposed Budget 2027-2030.””

HEALTH AND SOCIAL SECURITY SRUTINY PANEL

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

- (a) In accordance with Article 16 of the Public Finances (Jersey) Law 2019 (the Law) to approve an amendment to the Government Plan 2025 – 2028 (entitled “Budget 2025 – 2028”) to a reduction in the 2025 head of expenditure “Grants to States Funds” as included in Table 5(i) Revenue Heads of Expenditure of that Government Plan from £119,821,000 to £69,821,000.
- (b) To receive the Government Plan 2026 – 2029 (entitled “Budget 2026-2029”) specified in Article 9(1) of the Law and specifically –
 - i. to approve the estimate of total States income to be paid into the Consolidated Fund in 2026 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law.
 - ii. to refer to their Act dated 24th June 2003 in which they approved that no new ‘user pays’ charges be introduced without any such charge receiving prior in principle approval by the States Assembly and accordingly to approve the introduction of two new charges, to be levied by Health and Care Jersey to promote appropriate use of the Emergency Department and for repeated non-attendance of outpatient appointments, detailed in the section entitled “Departmental Income Sources” as set out in the Appendix to the accompanying Report.

- iii. to approve the proposed Changes to Approval for financing/borrowing for 2026, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approval amounts.
- iv. to approve the transfers from one States fund to another for 2026 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law.
- v. to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2026 of up to £50 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31st December 2025 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31st December 2026.
- vi. to approve a transfer from the Consolidated Fund to the Agricultural Loans Fund in 2026 of up to £5 million, subject to a decision of the Minister for Treasury and Resources based on availability of funds in the Consolidated Fund as at 31st December 2025 in excess of estimates provided in this plan, or from budgeted underspends identified before 31st December 2026;
- vii. to approve each major project that is to be started or continued in 2026 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 – Summary Table 4 to the Report.
- viii. to approve the proposed amount to be appropriated from the Consolidated Fund for 2026, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report.
- ix. to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2026 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report.
- x. to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2026 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report.

xi. to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2026 as set out in Appendix 2 – Summary Table 8 to the Report.

xii. to approve, in accordance with Article 9(1) of the Law, the Government Plan 2026-2029, as set in the Appendix to the accompanying Report, except that on page 90 after the words “in other areas to be addressed.” there should be inserted the words –

“Given the apparently strong financial position of the Social Security Fund which has led the government to propose a reduction in the States grant, the Minister for Social Security further commits to resolving overpayments of social security contributions for those who have achieved a full contribution record to ensure a fair deal for the individuals affected and will bring forward funding proposals within the next Proposed Budget 2027-2030.””

REPORT

Summary

The purpose of this Amendment to the Proposed Budget (Government Plan) 2026-2029 (hereafter the “Budget”) is to commit the Minister for Social Security to bring forward proposals in the next Proposed Budget 2027-2030 to ensure that the issue of overpayments for social security contributions is addressed and a solution provided for the approximately 50 individuals affected.

Background and Context

The Panel was made aware of a discrepancy within the laws relating to social security contributions, resulting in a number of individuals who reached a full contribution record prior to reaching pension age resulting in overpayments. The Panel decided to ask a number of questions about the issue at its [Quarterly Hearing](#) dated 24th September 2025. The Panel asked the Minister for Social Security if she had been made aware of the issue and was informed that:

“It is certainly something that was on my list of things to do... we looked at pension flexibility... Now it is around how I can fit what I can do within the remaining term of office... certainly that type of flexibility around giving people more flexibility if they have paid in all of their years... That was certainly on my list of things to do. I cannot promise... that I will get that piece of work completed, due to resourcing requirements.”

Deputy L.K.F. Stephenson: *“In your view, is it something that you see as fair or that needs sorting out for those people?”*

The Minister for Social Security: *“...absolutely, that was on my list of things that I want to tackle”*.¹

The Panel appreciates that this matter has been acknowledged by the Minister; however, it remains concerned that the issue does not appear to be receiving sufficient priority, resulting in limited recognition of those affected.

The Panel notes that, presently, there is no identified solution available for those affected by the current legislation. Individuals are required to continue paying the additional amounts, without an appeals process or alternative mechanism to address their circumstances.

The Minister acknowledged that the current legislation constrained options and confirmed that, while she had identified this issue on her list of priorities, progress was dependent on her ability to address it within the current term. The Panel expressed disappointment that no short-term remedy could be offered to these individuals and highlighted that, although the Minister’s intention was positive, there was no guarantee that a future Minister would pursue the matter. The Panel’s amendment is therefore considered essential to provide assurances that these individuals would receive the necessary support.

¹ [Quarterly Hearing with Minister for Social Security \[page 29\]](#)

On 13th October 2025, the Panel sent a follow-up [letter](#)² to the Minister which sought clarification on the handling of Social Security over-contributions for individuals who had reached or exceeded the maximum threshold. While acknowledging that work was underway, the Panel noted the financial impact—around £16,500 over two years for affected individuals—was significant. It requested details on the nature of the work, scope and number of those impacted, policy flexibility for refunds or reallocations, comparisons with UK voluntary contribution mechanisms, and the legal and administrative feasibility of implementing changes.

On 20th October 2025, the Panel received the response [letter](#)³ which stated that earlier in the year the Minister reviewed the situation where individuals reached a full contribution record before pension age. The Panel understood that around 50 people annually, mostly in their early 60s, continued paying contributions despite having a full record. These payments-maintained eligibility for Short-Term Incapacity Allowance but did not increase their Social Security pension entitlement.

The Minister acknowledged the issue and considered options such as increasing pension benefits or removing the requirement to pay contributions. However, these changes would have reduced contributions to the Social Security Fund or increased pension costs. Given the small number of people affected, the financial impact, and the fact that contributors still received some benefit, the Minister opted to focus on other priorities.

In addition, the Minister informed the Panel that, regarding gaps in contributions, individuals could fill gaps by paying the full applicable amount, as outlined in Article 22 of the [Social Security \(Contributions\) \(Jersey\) Order 1975](#).

On 10th November 2025, the Panel wrote a [letter](#)⁴ to the Minister requesting clarification on a number of issues. Specifically, the Panel asked:

- Whether, given the strong performance of the Social Security Fund and its ability to cope with a reduction in the States grant, it would be in the public interest to prioritise a fair arrangement for those otherwise overpaying.
- The estimated cost of allowing approximately 50 affected individuals to stop paying contributions once they have achieved a full record.
- Details of other options for policy changes previously considered and any associated cost analysis.

The Minister [responded](#) on 14 November⁵, noting that the reason for not prioritising the changes were: the small number of people affected, potential cost to the Social Security Fund and the continued benefit contributors receive through eligibility for working-age benefits, including Short-Term and Long-Term Incapacity Allowance (STIA and LTIA), as well as survivor's, parental, and carer's benefits. The Minister emphasised that these benefits provide essential protection against unforeseen illness, injury, or family circumstances. The Minister also outlined the following key points:

1. **Cost Implications**

Allowing individuals to stop paying contributions after reaching a full record

² [Letter – HSSP to Minister for Social Security – 13 October 2025](#)

³ [Letter – Minister for Social Security to HSSP – 20th October 2025](#)

⁴ [Letter – HSSP to Minister for Social Security – 10th November 2025](#)

⁵ [Letter- Minister for Social Security to HSSP – 14th November 2025](#)

was estimated to cost **£140,000 per year**, with an unquantifiable compensating reduction in contributory benefits claimed.

2. Options Considered

The Minister outlined four policy options previously explored:

- **Option 1:** Slightly increase pensions for those continuing contributions after 46 years (estimated cost rising from £20,000 to £300,000 annually over 25 years).
- **Option 2:** Allow deferral of pension for a higher weekly amount, cost-neutral to the Fund.
- **Option 3:** Maintain the contribution threshold at 46 years for those born after March 1964 (estimated cost £300,000 annually by 2030, rising to £6m by 2050).
- **Option 4:** Provide a slightly bigger pension for the same group as Option 3 (estimated cost £320,000 annually by 2030, rising to £6.5m by 2050).

All options would require legislative changes and system updates, making implementation feasible only from 2027 onwards. The Minister confirmed that none of these options would be progressed at this time, with a recommendation that future Ministers revisit the issue during the next political term.

Conclusion

The Panel recognises that implementing legislative changes within the current term is highly unlikely and notes the Minister's intention to recommend that a future Minister revisit this matter. This amendment not only aligns with that intention but strengthens it by ensuring that the work is actively progressed rather than merely suggested. By doing so, it provides assurance to those affected that the issue will be addressed and resolved, rather than deferred indefinitely.

Financial and staffing implications

This amendment, if adopted, will secure a commitment to bring back a proposal for addressing the issue of overpayments of contributions. It will be the responsibility of the future Minister to assess and determine the financial and staffing implications of what the outcome of this amendment may be, based on which of the outlined options—or any new approach—is ultimately proposed by the Minister.

Children's Rights Impact Assessment

The Panel considers that this proposition (amendment) has no direct or indirect impact on children and that the duty to have due regard to the UN Convention on the Rights of the Child does not arise. Accordingly, a Children's Rights Impact Assessment is not required under the Children (Conventions Rights) (Jersey) Law 2022