STATES OF JERSEY

PROPOSED BUDGET 2027-2030 (P.73/2026): SECOND AMENDMENT

ABOLISH THE UPPER EARNINGS LIMIT

Lodged au Greffe on 12th November 2026
by Deputy M.B. Andrews of St Helier North
Earliest date for debate: 8th December 2026

STATES GREFFE

PROPOSED BUDGET 2027-2030 (P.73/2026): SECOND AMENDMENT

1 PAGE 2, NEW PARAGRAPH (l) –

After paragraph (k), insert a new paragraph (l) –

"(l) to agree that the Upper Earnings Limit, as defined within the Social Security (Jersey) Law 1974, should be removed on 1st January 2027, abolishing the upper earnings limit caps on Social Security and Long Term Care Contributions; and".

and re-designate the existing paragraph (l) as paragraph (m).

DEPUTY M.B. ANDREWS OF ST. HELIER NORTH

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

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

to receive the Budget 2027 – 2030 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (the Law) and specifically –

(a) to approve the estimate of total States income to be paid into the General Revenue Fund in 2027 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 Budget, in line with Article 9(2)(a) of the Law;

(b) to approve the estimate of total States income to be paid into the Jersey Capital Investment Fund in 2027 as set out in Appendix 2 – Summary Table 2 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Budget, in line with Article 9(2)(b) of the Law;

(c) to approve the proposed amount to be appropriated from the General Revenue Fund for 2027, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(c), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 3 of the Report;

(d) to approve the proposed amount to be appropriated from the Jersey Capital Investment Fund for 2027, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(d), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 4 and 5 of the Report;

(e) to approve the transfers from one States fund to another for 2027 of up to and including the amounts set in Appendix 2 – Summary Table 6 in line with Article 9(2)(e) of the Law;

(f) to approve the proposed Changes to Approval for financing/borrowing for 2027, as shown in Appendix 2 – Summary Table 7 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(f) of the Law, of up to those revised approval amounts;

(g) to approve for each project that is to be started in 2027 and that has not previously been set out in an approved Budget, the total cost of each such project, in line with Article 9(2)(g), and (h) of the Law and as set out in Appendix 2 – Summary Table 8 to the Report;

(h) to approve any amendments to the proposed total cost for each project that has previously been approved in a Budget, in line with Article 9(2)(i) of the Law and as set out in Appendix 2 – Summary Table 8 to the Report;

(i) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2027 in line with Article 9(2)(j) of the Law and set out in Appendix 2 – Summary Table 9 to the Report;

(j) to approve the proposed amount to be appropriated from each States trading operation's trading fund for 2027 for each head of expenditure in line with Article 9(2)(k) of the Law and set out in Appendix 2 – Summary Table 10 to the Report;

(k) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2027, in line with the terms of reference for the Fund in Government Plan 2020 - 2023 as set out in Appendix 2 – Summary Table 11 to the Report;

(l) to agree that the Upper Earnings Limit, as defined within the Social Security (Jersey) Law 1974, should be removed on 1st January 2027, abolishing the upper earnings limit caps on Social Security and Long Term Care Contributions; and

(m) to approve, in accordance with Article 9(1) of the Law, the Budget 2027-2030, as set out in the Appendix to the accompanying Report.

REPORT

I am lodging this Budget Amendment to abolish the upper earnings limit for Social Security and Long-Term Care contributions. Should this Budget Amendment pass then the abolition of the upper earnings limit will take effect from January 2027.

Social Security Fund

Looking ahead we must address the structural deficit[1] in both the Social Security and Long-Term Care Funds. Without sustainable public finances we risk exhausting both Funds which will impact future generations.

It is important that we maintain fiscal prudence and if we do not abolish the Social Security Cap, the closing balance of the Social Security Fund will decrease by £31,649,000 million across the period of the Government Budget (2027-2030).

Social Security Fund				
£'000	**2027**	**2028**	**2029**	**2030**
Closing balance	£ 126,696	£ 111,066	£ 101,138	£ 101,512

Proposed Budget 2027-2030 (p.90)

Should the Social Security Cap be abolished this could generate an additional £11.3 million in income for the Social Security Fund. Officers have provided me with the following table which shows the closing balance of the Social Security Fund across the period of the Government Budget should the upper earnings limit be abolished.

Social Security Fund				
	2027	2028	2029	2030
£'000	Estimate	Estimate	Estimate	Estimate
Closing Balance (adjusted after UEL removal)	139,109	136,378	139,801	153,979

Long-Term Care Fund

In the Proposed Budget 2027-2030 the Council of Ministers propose raising the Long-Term Care rate to 2.5 percent over three years (p. 87). I recognise that we face funding pressures and we must do all we can to support those in need. I do not however support the Council of Ministers approach levying the Long-Term Care uprate on lower- and middle-income earners whilst those on the highest incomes are levied a lower effective rate.

As it stands, income earned above the upper earnings threshold is not subject to Social Security and Long-Term Care contributions. Given that the Long-Term Care Fund has a structural deficit I believe we have little choice but to abolish the upper earnings limit to prevent the burden of Long-Term Care falling on low- and middle-income earners.

I believe everyone should contribute a proportionate amount of Social Security and Long-Term Care contributions. We cannot allow this situation to continue where

[1] A Structural Deficit (also known as an operating deficit or current deficit) occurs when a fund's current year expenditures exceed its current year revenues, excluding any beginning fund balances or reserves carried forward.

colleagues prefer to levy tax increases on low and middle income over high-income earners.

Should this amendment be adopted treasury officials forecast this amendment could generate an additional £11.5 million in revenue for the Long-Term Care Fund.

Long-Term Care Fund				
£'000	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate
Closing Balance (adjusted after UEL removal)	38,510	43,915	59,175	80,851
Closing Balance (adjusted after removal of UEL and 1% LTC increase)	38,510	33,029	21,545	3,364

Financial and staffing implications

Should this Budget Amendment be adopted the upper earnings limit will be abolished which could generate a forecast £11.3 million and £11.5 million respectively for the Social Security and Long-Term Care Funds. Both the Social Security and Long-Term Funds will increase in fund value across the period of the Government Budget.

Children's Rights Impact Assessment

I consider that this 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 (Convention Rights) (Jersey) Law 2022.