STATES OF JERSEY

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

RESTORE THE 2027 SOCIAL SECURITY STATES GRANT IN FULL

Lodged au Greffe on 24th November 2026
by Deputy B. Ward of St. Clement
Earliest date for debate: 8th December 2026

STATES GREFFE

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

1 PAGE 2, PARAGRAPH (c) –

After the words "Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law" insert the words –

", except that in Summary Table 3 the head of expenditure for Grants to States Funds should be increased from £94,085,000 to £143,027,000 in 2027.".

2 PAGE 2, PARAGRAPH (e) –

After the words "Appendix 2 – Summary Table 6 of the Report" insert the words –

", except that in Summary Table 6 a new row should be inserted to transfer £48,942,000 from the Strategic Reserve Fund to the General Revenue Fund in 2027.".

3 PAGE 3, PARAGRAPH (l) –

After the words "Appendix to the accompanying Report" insert the words –

", except that –

(a) on pages 51 and 52 the first two paragraphs following the title "States Grant to Social Security Fund" should be substituted with the following paragraph –
"The States Grant to the Social Security Fund has been reinstated to its full formula for 2027, with future determinations to be guided by the publication of the actuarial reviews of the Social Security Fund, which will be published in 2027."

and in Table 11 the 2027 figures should be updated to reflect the restatement of the grant to full formula value; and

(b) on page 79 after the words "Reserve's medium-term position" there should be inserted the following new paragraph –

"The States Grant to the Social Security fund has been reinstated in 2027 through allocation of funds from the Strategic Reserve. To offset this allocation all departmental underspends increased tax receipts, windfalls, possible small surpluses and any Pillar 2 receipts in excess of the forecast £160 million will be allocated to the Strategic Reserve in the first instance, until the full amount utilised to reinstate the grant has been refunded."

with any consequential amendments reflected within the Report as necessary"".

DEPUTY B. WARD OF ST. CLEMENT

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 Table 3 of the Report, except that in Summary Table 3 the head of expenditure for Grants to States Funds should be increased from £94,085,000 to £143,027,000 in 2027;

(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, except that in Summary Table 6 a new row should be inserted to transfer £48,942,000 from the Strategic Reserve Fund to the General Revenue Fund in 2027;

(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; and

(l) 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, except that –

(i) on pages 51 and 52 the first two paragraphs following the title "States Grant to Social Security Fund" should be substituted with the following paragraph –

"The States Grant to the Social Security Fund has been reinstated to its full formula for 2027, with future determinations to be guided by the publication of the actuarial reviews of the Social Security Fund, which will be published in 2027."

and in Table 11 the 2027 figures should be updated to reflect the restatement of the grant to full formula value; and

(ii) on page 79 after the words "Reserve's medium-term position" there should be inserted the following new paragraph –

"The States Grant to the Social Security fund has been reinstated in 2027 through allocation of funds from the Strategic Reserve. To offset this allocation all departmental underspends and any Pillar 2 receipts in excess of the forecast £160 million will be allocated to the Strategic Reserve in the first instance, until the full amount utilised to reinstate the grant has been refunded."

with any consequential amendments reflected within the Report as necessary.

REPORT

Introduction

Of the last 7 years (barring 2024) the Government has withheld money from the Social Security Grant (the "Grant") to balance the Government's books. As can be seen in the draft Budget 2027-2030 (the "Budget") with the intention to continue on this pathway for a further 4 years to 2029.

Contributors do not have the option of withholding their Social Security contributions because they would prefer to spend the money elsewhere. Employees and employers are required to contribute under the law, yet the States can suspend or reduce its own contribution when convenient. This action on a regular yearly basis undermines public confidence in the entire funding model.

The Social Security Fund is not a slush fund, a rainy-day fund, or a convenient balancing item in the annual budget. It is a contributory 'pay as you go fund' built up from compulsory payments by Islanders made on the understanding that the States would honour the funding structure that underpins the scheme. Providing Islanders trust, intergenerational fairness and contributors' expectations, rather than the mechanics of funding.

Despite the Social Security grant, which was renamed from the supplementation process to cover the contributions of lower earners' being set out in the Social Security (Jersey) Law 1974 (the "Social Security Law"), the Government deems it acceptable to ignore the requirements of article 9A of the Social Security Law by applying Articles 50 and 51 to enable changes to the Grant formula. This enactment is stated, 'should only be considered if this change is of a temporary nature and that the grant must be returned to the formula'. Government has been utilising this route since 2020 to balance expenditure every year (bar 2024) with the intention to continue year on year. These regular reductions of grant money demonstrate poor decisions and are clearly not of a temporary change, which is required as set out in Article 50 / 51 of the Law.

It also appears that the deferral of substantial portions of the Grant is being undertaken without the necessary external review, which should have been provided through an Actuarial Assessment. The Actuarial Assessment of the Social Security Fund best practise is usually conducted every 3 years, with the latest due to be published mid-2025. Instead, this was delayed and is now due in 2027.

This amendment therefore seeks the Government to restore the Grant in full for 2027. Then when the Government and States members are in receipt of the long-awaited results of the Actuarial Review then open and transparent consideration and scrutiny can ensue to consider if changes or alterations are need.

States Grant to the Social Security Fund	
£'000	2027 Estimate
Full Value	101,577
Current Formula Value	52,635
Difference	48,942

As the Budget has already allocated the funding which should have been utilised for payment of the Grant to other areas, this amendment reluctantly takes the necessary funding from the Strategic Reserve, on the basis that reimbursement of these funds will be sought as a priority by way of any departmental underspends, increased tax receipts, projected small surpluses, windfalls or from Pillar 2 receipts in excess of the predicted £160 million.

Why the funding of the States Grant matters

Due to the reduction in the States grant since 2020, the proposed life of the Social Security Reserve fund has already reduced by 10 years from 2082 to 2072 as stated by the "Actuary Advice for the Social Security Funds (R.165/2025)" in 2025.

What has not been fully assessed is the impact the reduction of the States Grant from 2026 onwards is going to have on the longevity and liabilities of the Fund. Other factors that need to be fully considered impacting the Fund include –

1. The increasing numbers of pensioners that will be entitled to draw down an Old Age Pension (OAP) (recipients on and off the island). If the continuance of Grant reductions, then funds will need to be transferred from the reserves to the Social Security 'current account' to cover any shortfalls – resulting in a reduction of the reserves affecting longevity and its liabilities. This has already been necessary – some £300 million was transferred in 2024, £114 million in 2025, with further transfers expected. This cannot continue as the Reserve fund will be on a trajectory of depletion.

2. Jersey is technically in a full employment situation with around 66 thousand people working and contributing to the Social Security and Tax system. It will be a fine balancing act – we need to be minded of the effect what Artificial Intelligence may have on existing jobs, the reducing birth rate, the ongoing issue of young people leaving the Island, or choosing not to return after higher education coupled with a higher number of pensioners being paid an OAP, therefore not contributing into the Social Security Scheme. These are essential funding streams which are factors that must be recognised in any reduction of contributions to the Social Security fund via employer, employees and the States grant.

3. It has been estimated by the Actuaries in 2025 that to remain stable until 2072 (45 years), Jersey will need a minimum of some 700 people coming to the island to work and contribute into the Social Security scheme. This is of course speculative. Statistics Jersey have advised that there was a net migration of only 180 people in 2025[1]. The less inward migration of working age individuals, the quicker the reduction of the scheme's longevity and viability, which is already on the downturn. Plus we need to be mindful the impact on increased migration will have on health, education and other services.

4. The present advice is that there is sufficient funding within the reserve to fund pensions for 7.5 years (if contributions ceased). £2.7 billion isn't enough to support a population of 105 thousand Islanders and the extra thousands that live off island and are entitled to OAP and other benefits.

[1] https://stats.je/news/population-and-migration-estimates-2025-published/

5. The reserve fund has done well over recent years, but the volatility of financial markets must be seriously considered. The fund is very sensitive to Global markets. It cannot be assumed that all will be well within the investment portfolios on a long-term basis. We have just seen recently the Stock Market crash.

On 6th November 2026 the Fiscal Policy Panel (the "FFP") presented the "Jersey's Fiscal Policy Panel Annual Report 2026" to States Members. The FFP presented a moderate positive picture but remain cautious due to the ongoing global economic risks. They also demonstrated that the proposed day to day budget is expected to improve due to higher income tax receipts with the Budget proposals generating small surpluses during 2027. The FPP were asked twice at their presentation whether the withheld funds from the Social Security Grant were included in the Income 'day to day expenses' section of the Budget (which would produce these small surpluses) – the response was no, the withheld money was not included – the income set out in the budget was from taxes alone.

So, it must be asked, if there is sufficient tax income coming in to produce small surpluses then why is money being held back from our Social Security pension pot, especially as there is no information from the Actuaries on the state of the Fund or the Grant formula and the security of promised pensions over the lifetime of the fund?

The FPP advised that they did not look at the Social Security Grant in their recent report as they needed to wait for the expected Actuarial Assessment report due in the first quarter of 2027. When they have this information, they will look at it again next year – hence the FPP was silent on the Grant in this year's report. However the FPP remain as reported in their 2025 report that drawing down on reserve funds before an Actuarial Assessment report on future pension liabilities – therefore drawing down on the fund should not be done before that review was published was not prudent.

In conclusion

The Grant is established and determined by the formula in Article 9A of the Social Security (Jersey) Law 1974. If that formula is considered no longer appropriate, then any changes should be based upon evidence, actuarial advice and a full understanding of the consequences. The forthcoming Actuarial Assessment is an income and expenditure forecast, it doesn't address the pension liabilities and as yet doesn't provide the numbers involved. The review expected in 2025 was delayed and is not expected until 2027. Until that assessment is available and properly considered, Members are being asked to make decisions affecting the long-term sustainability of the Social Security Fund without the information necessary to do so responsibly and on an informed basis. Therefore, in the absence of this information the default position must be for the grant to be paid in full now.

Through this Budget, the Government is asking Members to support withholding monies from the States Grant in order to assist in balancing the books over the coming years. This inevitably raises questions about the long-term sustainability of this approach and what will happen beyond 2030 when these spending commitments remain but the funds available to support them may not.

The central principle at stake is one of intergenerational fairness. The Social Security Fund exists to provide security and dignity for future pensioners. Every decision that

weakens the Fund's long-term position transfers risk from today's taxpayers and politicians to tomorrow's contributors and retirees.

Some Members may object that restoring the States Grant in full requires a transfer from the Strategic Reserve and that such a course is undesirable. I understand that concern. The Strategic Reserve is an important asset that exists to provide financial resilience and should never be used lightly.

However, if Members believe it is wrong to utilise a relatively small proportion of the Strategic Reserve because it represents resources set aside for the future, they must also explain why it is acceptable to continue withholding contributions from the Social Security Fund, which exists for the very same purpose.

The reality is that continuing to reduce the States Grant is not a neutral decision. It is a conscious choice to strengthen today's public finances at the expense of future pension provision. If drawing upon the Strategic Reserve is described as taking from the future, then reducing contributions to the Social Security Fund must equally be recognised as taking from the future. Indeed, there is a strong argument that it is more serious, because it directly affects funds intended to support future pensioners.

Members are being asked to support taking ‘tomorrow's money to pay for today's expenditure’.

The Assembly should be wary of placing today's spending priorities ahead of the long-term wellbeing of future Islanders. Those future contributors and pensioners have no voice in today's debate, yet the decisions taken now may affect their financial security for decades to come. Members were elected by today's voters, but they have a responsibility to represent tomorrow's Islanders as well. Future generations are entitled to expect that this Assembly will protect their interests with the same diligence that it protects the interests of current taxpayers.

At its heart, this amendment asks a simple question: if Members are uncomfortable drawing £48.9 million from the Strategic Reserve pending the publication of the Actuarial Assessment, why are they comfortable effectively drawing the same amount from the Island's pension system before that evidence exists?

The more prudent and ethical approach is therefore to honour the States Grant in full during 2027, await the findings of the Actuarial Assessment and then engage in a fully informed debate about the future funding formula. That would ensure that any subsequent decisions are evidence-based rather than speculative.

Whilst I understand that restoring the States Grant in full may cause some concern because it requires a temporary allocation from the Strategic Reserve, the Government should not have assumed it was acceptable to reduce the Grant before the evidence required to justify that decision was available. In many respects, the Government put the ‘cart before the horse’. The default position should have been to maintain the existing funding arrangements until the actuarial evidence had been completed and fully scrutinised.

This amendment therefore proposes a measured and responsible approach. It restores the States Grant to its full formula amount for 2027, protects the integrity of the contributory principle upon which the Social Security system is founded, preserves

confidence in the system and ensures that future decisions can be taken with the benefit of proper actuarial evidence.

Should Members approve this amendment, they will not simply be restoring a budget line. They will be demonstrating that the Assembly is prepared to honour its obligations to future generations and that short-term budgetary convenience should not come at the expense of long-term pension security.

The question before Members is therefore not whether there is a cost. The question is which future obligation they are prepared to compromise. In the absence of actuarial evidence, I believe the Assembly should err on the side of protecting current and future pensioners and restore the States Grant in full.

Financial and staffing implications

This amendment seeks the Government to settle the full Grant in 2027, transferring the additional funding of £48,942,000 to the Social Security Fund.

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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.