WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY S.J. GLEAVE OF ST. HELIER SOUTH
QUESTION SUBMITTED ON MONDAY 2nd NOVEMBER 2026
ANSWER TO BE TABLED ON MONDAY 9th NOVEMBER 2026

Question

"In relation to the proposed increases in Long-Term Care (LTC) contribution rates from 2028 to 2030, will the Minister –

(a) advise whether the Income Tax Instalment Scheme (ITIS) collection system can accommodate the proposed LTC contribution rates of 1.8%, 2.2% and 2.5% without modification;
(b) explain how the requirement to round ITIS deductions up to the nearest whole percentage point would affect deductions from employees' earnings; and

state whether any changes to legislation, payroll systems or collection arrangements are anticipated, together with the estimated costs of implementing any such changes?"

Answer

The Income Tax Instalment Scheme (ITIS) is designed to collect, as far as possible, the estimated annual tax bill of employees with simpler affairs (such as one source of employment income).

Under current tax legislation, ITIS is capable of accommodating the proposed increase in the Long-Term Care (LTC) contribution rate. The Income Tax (Jersey) Law 1961 requires all ITIS "effective rates" (which govern monthly deductions from employees' salaries) to be rounded up to the next whole number.

This generally means that most employees will have a credit at the end of the year (subject to their annual tax return and assessment) which rolls forward into the next year's ITIS rates, so reducing the risk of accruing arrears.

Employees' personal ITIS effective rates combine expected income tax and LTC contributions for a year and will vary according to income; any outstanding assessed tax and LTC liabilities; and any available credits. ITIS rates seek to accumulate sufficient funds to meet the annual tax assessment within the calendar year and may vary during the year as personal circumstances change: they remain most stable where employees file tax returns early in tax year.

Revenue Jersey's tax systems and employers' payroll systems can cope with increases in ITIS rates on this basis and no additional costs in effecting such a rate change are anticipated. Minor technical changes would be required to the Income Tax (Jersey) Law 1961 in advance of any change of LTC contribution rate.

I have asked Revenue Jersey to explore the case to create ITIS effective rates to one decimal place. Any such change would require consultation with employers and payroll providers to determine the feasibility of systems changes, together with any necessary legislative amendments.