STATES OF JERSEY

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

INCREASE HEALTH INSURANCE FUND CONTRIBUTIONS

Lodged au Greffe on 20th 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): FIFTH AMENDMENT

1 PAGE 2, PARAGRAPH (l) –

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

", except that –

(i) on page 83, within Table 36 – Summary of Fund Balances, the Health Insurance Fund estimates should be substituted with the figures £90,401 in 2028, £94,845 in 2029 and £98,369 in 2030, and the Fund's Net Assets updated accordingly;

(ii) on page 85, within Table 39 – Health Insurance Fund, the Social Security Contribution estimates should be substituted with the figures £73,750 in 2028, £77,500 in 2029, and £80,000 in 2030, with both Opening and Closing Balances updated accordingly; and

(iii) on page 86, after the words "pay for future health and care costs in a sustainable way." there should be inserted a new paragraph as follows –

"To address this, the rate of Social Security contributions will increase to 13% from January 2028. This change will ringfence 10.5% of Social Security contributions into the Fund and 2.5% of Social Security contributions into the Health Insurance Fund."".

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 Table 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; 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 page 83, within Table 36 – Summary of Fund Balances, the Health Insurance Fund estimates should be substituted with the figures £90,401 in 2028, £94,845 in 2029 and £98,369 in 2030, and the Fund's Net Assets updated accordingly;

(ii) on page 85, within Table 39 – Health Insurance Fund, the Social Security Contribution estimates should be substituted with the figures £73,750 in 2028, £77,500 in 2029, and £80,000 in 2030, with both Opening and Closing Balances updated accordingly; and

(iii) on page 86, after the words "pay for future health and care costs in a sustainable way." there should be inserted a new paragraph as follows –

"To address this, the rate of Social Security contributions will increase to 13% from January 2028. This change will ringfence 10.5% of Social Security contributions into the Fund and 2.5% of Social Security contributions into the Health Insurance Fund.".

REPORT

Introduction

I bring forward this amendment to address the structural deficit in the Health Insurance Fund ('HIF'). As it currently stands, Social Security contributions are levied at 12.5 percent; 10.5 percent of which is ring-fenced into the Social Security Fund and 2 percent is ring-fenced into the HIF.

The decreasing Health Insurance Fund balance

In 2027, the opening fund balance of the HIF is forecast at £98,229,000; regrettably, by 2030, the closing fund balance is forecast to decrease to £52,119,000. Unless policies are tightened, or income coming into the HIF increases, we risk the HIF becoming exhausted. As was outlined in the Budget 2026 to 2029, "Increased expenditure against the HIF means that the fund will be exhausted during the early 2030's unless action is taken soon".

Budget 2027 – 2030 (Table 39):

Health Insurance Fund				
£'000	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate
Opening Balance	**98,229**	**87,494**	**75,651**	**64,595**
Social Security Contributions	57,000	59,000	62,000	64,000
Investment income	5,235	5,262	5,262	5,262
Social Benefit Payments	(66,063)	(69,111)	(71,105)	(74,340)
Other expenditure	(6,907)	(6,994)	(7,213)	(7,398)
Closing Balance	**87,494**	**75,651**	**64,595**	**52,119**

Comptroller and Auditor General findings

Following the 2021 actuarial review, the Comptroller and Auditor General ('C&AG') concluded that no plan has been developed despite the actuarial review demonstrating the fund is not sustainable.[1] Since then, further decisions to fund new initiatives have been made without considering the long-term impact on the HIF.

The C&AG raised concerns that some of these initiatives, "lack the metrics to enable assessment of value for money following implementation". Work must be undertaken to ensure governance around the HIF is improved; otherwise, the trend of poor governance could well continue.

The proposal

To ensure the HIF remains solvent, we must address the HIF structural deficit to circumvent the exhaustion of the Fund. To address this, I am proposing the Social Security rate increase from 12.5 percent to 13 percent. It means 10.5 percent of Social Security contributions will be ring-fenced into the Social Security Fund and 2.5 percent of Social Security contributions will be ring-fenced into the HIF.

The breakdown of Social Security contributions into the HIF will be as follows:

[1] C&AG publishes Health Insurance Fund report | Jersey Audit Office

Contribution	Current Rate	Proposed Rate
Employee – class 1	0.8 percent	1.0 percent
Employer – class 1	1.2 percent	1.5 percent
Total and Class 2	2 percent	2.5 percent

I therefore propose that this change will come into effect in January 2028. The HIF receives most of its income via Social Security contributions and a small amount of investment income. Should this amendment be approved, the 2.5 percent ring-fencing of Social Security contributions could raise approximately £15 million which addresses the forecast structural deficit of £11.8 million in 2028.

Financial and staffing implications

The Social Security contribution rate will increase from 12.5 percent to 13 percent which will take effect from January 2028. The amount which is to be ring-fenced into the HIF will increase from 2 percent to 2.5 percent which will take effect from January 2028. The forecast shows that the closing fund balance will rise to £98,369,000 by 2030.

	2028	2029	2030
Current Opening Balance	£87,494,000	£75,651,000	£64,595,000
Current Closing Balance	£75,651,000	£64,595,000	£52,119,000
Opening Balance (2.5 percent)	£87,494,000	£90,401,000	£94,845,000
Closing Balance (2.5 percent)	£90,401,000	£94,845,000	£98,369,000

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.