Minister for Social Security

Government of Jersey

Government of Jersey
Union Street | St Helier | Jersey | JE2 3DN

Deputy Louise Doublet
Chair – Health and Social Security Scrutiny Panel
By email

20th November 2025

Dear Chair

Re: Health and Social Security Scrutiny Panel – Proposed Budget 2026-2029 Review (Actuary Advice)

Thank you for your letter dated 19th November 2025.

The published letter from the independent actuary of the Social Security Fund provides States Members and the public with an assessment of the impact of the budget proposal to temporarily reduce the States grant on the long-term sustainability of the Social Security Fund.

There are a few scenarios for both net inward migration and investment returns which shows how the Social Security Fund might be affected in the future.

This is the summary provided by the actuary.

1. In May 2023 GAD issued the "Report by the Government Actuary on the Jersey Social Security Fund as at 31 December 2021" ("the 2021 report"). The Government of Jersey have asked me to update some of the analysis in the 2021 report to show the effect of the States Grant being paid as per the Proposed Budget 2026-2029 and of investment returns being 1% higher, and 1% lower, under a +325 net inward migration scenario. The table below summarises this analysis showing the SSF's updated projected exhaustion dates.

States Grant	**Investment return relative to earnings**	**Net annual inward migration**		
		Nil	**+325**	**+700**
As per 2021 report	+2% (as per 2021 report)	2066*	Beyond 60 years*	Beyond 60 years*
Proposed Budget 2026-2029	+2%	2061	2072	Beyond 60 years
Proposed Budget 2026-2029	+1%		2062	
Proposed Budget 2026-2029	+3%		Beyond 60 years	

* Analysis from the 2021 report

In the scenario where past trends in net inward migration continue (net inward migration +325 per year) and where investment returns are in line with the current investment strategy and the previous actuarial review (Jersey earnings growth plus 2% per year), the budget proposal would result in the Fund's reserves being exhausted in the early 2070s rather than in the early 2080s.

The other scenarios with varying levels of net migration or investment returns show the exhaustion date of the Fund being approximately 10 years earlier or later than the early 2070s.

Investment return assumptions

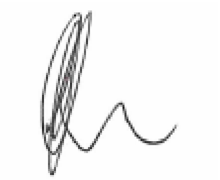
This analysis is based on a reasonable investment return assumption of Jersey earnings growth + 2% per year. This is in line with the Social Security Reserve Fund's current investment strategy target, and it is the central assumption used by the actuary in their last actuarial review.

As I said previously, I will ask Aon, our investment advisors and the actuary to consider the most appropriate investment return assumptions in the special one-off review which will help the next Government to develop a strategy in 2026. The options in this review will consider different funding approaches (between reserves, contributions and States grant) which will require different assumptions about investment strategies and investment returns in the long-term.

As such, I'm not going to ask the actuaries to analyse or comment further on this now, and the Panel should seek its own independent advice, should it want to at this stage.

I hope that this additional information and explanation helps you with your review of the Proposed Budget 2026 – 2029.

Kind regards,



Deputy Lyndsay Feltham
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