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

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

7th November 2025

Dear Chair

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

Thank you for your letter of the 3rd November. I am committed to providing helpful information to support the Scrutiny process and Budget debate.

I published the actuary's letter on 20th October 2025. This provided:

- Updated projections of the Social Security Fund's reserves from the last actuarial review:
  - For migration: net +325, net-nil and net +700 inward migration
  - For investment returns: Jersey earnings + 2% per year (current investment strategy and central actuarial assumption used in the last review)

- Scenarios for a hypothetical permanent reduction in the States grant, including:
  - For migration: net +325, net-nil and net +700 inward migration
  - For investment returns: Jersey earnings + 3% per year

The actuaries are now specifically analysing the Budget proposal to temporarily reduce the States grant into the Social Security Fund until 2029.

Building on their work so far, the actuaries will provide projections of the Social Security Fund's reserves for the same net migration scenarios, and for investment returns of Jersey earnings growth + 1%, + 2% and + 3%. This provides information on the sensitivity of the projections to different investment returns in the future and is in line with the Panel's proposed approach.

They will also describe what the impact of different Jersey earnings growth assumptions could be on the projections in the different scenarios, through their effect on the size of the States grant.

I will publish this when they have finished their work, which is expected to be by 14 November 2025. I would be happy to provide a briefing on the results if that would be helpful for you.

I have mentioned to the Panel (and in the Budget document) that I have asked the actuaries to support a special one-off review of the Social Security Fund which will help the next Government to develop a long-term strategy in 2026.

This review will include considering:

- The original objective of increasing reserves set in the 1990s and the performance since
- What its purpose should be in the future

- Financial sustainability and fairness between generations
- Outlook for the economy, public finances and demographics
- Options for the future size of reserves, States grant, contribution rates etc.

Aon, the Social Security Reserve Fund's investment advisors, will provide their investment expertise and I will ask the actuary to consider the appropriateness of any investment return assumptions in this review.

Please note that the one-off review described complements, but is very different to, the next 4 yearly actuarial review that is required under the Social Security Law. The 4 yearly actuarial review will be undertaken as planned during 2026 and will set out the actuaries' opinion of:

- The financial condition of the Social Security Fund considering changes in legislation and experience since the previous review in 2021
- Possible future levels of expenditure and the contribution rates required to finance this expenditure
- The adequacy or otherwise of contributions payable to the Fund to support benefits payable from the Fund

I hope that this additional information is helpful to the Panel's work.

Kind regards,

**Deputy Lyndsay Feltham**
Minister for Social Security