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Deputy Beatriz Porée
Chair, Health and Social Security Scrutiny Panel

Sent by email

8 October 2026

Dear Chair

Re: Written follow-up questions: Quarterly Public Hearing

Thank you for your letter dated 1 October relating to the Social Security Fund. I have responded to each of your questions in turn, as follows:

The 2025 actuarial update suggested that, under the central migration scenario, the Social Security Fund could be exhausted around a decade earlier than projected in the 2021 review. What is the Minister's current assessment of the Fund's long-term sustainability?

The Social Security Fund and Social Security (Reserve) Fund are in a very good position, and I believe that the Funds will be sustainable in the long-term.

In November 2025, my predecessor asked the actuaries of the Social Security Funds to update their projections from the last actuarial review to show the expected impact of the reductions in the States Grant from 2026 to 2029 included in the last Budget ([Link to the actuaries' letter 12 November 2025](#)). It is worth noting that this was not a full actuarial review but an update of previous work.

The following table summarises the actuaries' analysis of a few net inward migration and average investment return scenarios with current Social Security policy and restoring the States Grant to its full value in 2030.

Table from the actuaries' letter: Projected Fund exhaustion dates for different scenarios

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

The future path of the Social Security Funds is very sensitive to net inward migration and average investment returns over the next 60 years. Whilst some of these scenarios show that the Funds could be exhausted in the distant future, this government and future governments will have time to gradually change policy, if needed, so that the Funds remain sustainable for future generations.

Given the sensitivity of the projections to migration and investment returns, does the Minister consider the current range of scenarios used by Government to be sufficiently robust for long-term decision-making?

I think that the actuaries' approach in this area has been sufficiently robust for our planning and decision-making. It is worth noting that we are looking to the very long term (40 to 60 years into the future) in considering these aspects.

The 2021 actuarial review provided scenarios and sensitivity analysis to help the government to plan and Ministers to set Social Security policy. The actuaries focused on fewer scenarios in the 2025 update given the short time available for them to carry out their analysis.

Net migration has averaged approximately net +400 people per year in the last few decades, with periods of higher and lower net inward migration over that time. The 2021 actuarial review included net migration scenarios ranging from net-nil to net +1,000.

Past investment returns have averaged 3% to 4% above Jersey average earnings growth. The 2021 actuarial review included investment return scenarios of 2% above Jersey average earnings growth and sensitivity analysis of +/- 3% either side of this. That is, investment return scenarios of 1% below Jersey earnings growth and 5% above Jersey earnings growth.

The assumptions for the next actuarial review are being developed by the actuaries, and they will continue to provide a suitably wide range of scenarios for us to consider.

When does the Minister expect a full actuarial review, based on updated demographic, economic and labour market data, to be completed, and will this include a wider range of scenarios than those considered in the 2025 update?

The next actuarial review will be completed and published in the Spring of 2027. This is being co-ordinated with developing a long-term strategy for the Social Security Funds (more detail later). As stated above, a wide range of scenarios will be considered.

What assessment has been made of the long-term impact of the temporary reduction in the States Grant on the future affordability of pension and benefit commitments?

The actuaries' assessment was published in November 2025. The results of the next actuarial review will provide a more comprehensive update early next year.

What work is being undertaken with other Ministers to ensure that population, migration, housing and workforce policies support the future sustainability of the Social Security Fund?

See below. I am developing a long-term strategy for the Social Security Funds, and this will be fully discussed with Ministers to take full account of relevant demographic and economic issues.

With reserves approaching £2.78 billion, Ministers have described the Fund as being in a strong position. How does the Minister reconcile those assurances with actuarial projections showing potential exhaustion within the lifetime of today's younger contributors?

The Funds are in a strong position, but we cannot be complacent. Given the ongoing demographic changes and range of possible realistic scenarios, I am developing a long-term strategy for the Social Security Fund and the Social Security (Reserve) Fund with my officers and the actuaries.

My aim is that the strategy will manage these uncertainties and guide our future decisions, helping to ensure that younger generations can expect to contribute to and benefit from the Social Security scheme in a similar way to those who came before them.

This will be co-ordinated with the detailed actuarial review and will also be completed early in 2027.

The work includes:

- Assessing how the Funds have developed since reserves began to be built up in the late 1990s.
- Considering the long-term objectives of the Funds, including sustainability, intergenerational fairness and contribution stability.
- Considering the impact of wider public finance pressures and objectives.
- Exploring future funding options, including the balance between the States grant, contributions and investment income.

As indicated above, this government will carefully review the steps that it needs to take to support the ongoing sustainability of the Funds and to ensure that they are not exhausted to the detriment of younger contributors. However, it will also be up to future governments to continue to plan ahead to protect future generations.

I hope that the above is helpful to the Panel's work.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Elaine Millar', with a stylized, cursive script.

Senator Elaine Millar
Minister for Social Security