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**DRAFT FAMILY ALLOWANCES (JERSEY)  
REGULATIONS 1981**

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*Lodged au Greffe on 10th March 1981 by the Social Security  
Committee*

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**STATES OF JERSEY**

**STATES GREFFE**

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## **Explanatory Report of the Social Security Committee**

1. The Family Allowances (Jersey) Law, 1972 Article 11 requires the Committee to review family allowance rates, having regard to any changes in the cost of living and in the general standard of life of the community and any other factors which it considers relevant. The family allowance is an annual allowance based upon the previous year's tax assessment. The new rate of family allowance is implemented according to the previous year's income in May of each year.

2. Family allowance was last increased from 1st May, 1980 by 15.89%. This was based on the estimated increase in the Jersey Cost of Living Index between June, 1979 and 1980 which in the event was in fact 16.1%. In considering an appropriate rate from 5th May, 1981 the Committee has decided on this occasion to recommend that the increase be limited to a conservative estimate of the likely cost of living movement between June, 1980 and 1981. On the basis of the information available at the time of preparing this report, in January, 1981, the Committee estimates that the movement will be of the order of 13% and has used this figure accordingly.

3. Accordingly the Committee proposes to increase the maximum cash family allowance per year from £350 to £392. The maximum annual family income limit beyond which cash family allowance ceases to be payable is currently £6,873. It is proposed to apply an increase of 11.5% which has the effect of raising the limit to £7,661.

4. The decline point or income limit beyond which the maximum cash family allowance ceases to be paid is currently a family income of £1,733. The decline point is derived from the personal tax allowance and earned income allowance of 25%. The Committee recommended that the raising of the existing decline point should be limited to applying the increase in the 1981 Budget to the current decline point of £1,733. This provides a new decline point of £1,933. This means that any family with an income below £1,933 will receive the maximum cash family allowance and the allowance for those with an income above this figure will start to decline thus continuing to provide proportionately more to the less well off family.

5. Examples of the proposed new rates are illustrated in Appendix 1 and for comparison, examples of current rates are given in Appendix 2.

6. It is estimated that the number of children who will be in benefit during the family allowance year beginning 5th May, 1981 will be 6,920. The total annual cost of the allowance provided for in the Committee's approved Budget estimate of Revenue Expenditure for 1981 is £1,144,000. The estimated cost of the Committee's proposals for that year is £1,068,000. Should the States approve the Committee's recommendations there is little likelihood of the already approved budget being exceeded.

7. The object of the attached Regulations is to give effect to the Committee's recommendations.





**Family Allowances (Jersey) Law, 1972.**

**FAMILY ALLOWANCES (JERSEY) REGULATIONS,  
1981.**

*(Promulgated on the            day of            , 1981).*

**STATES OF JERSEY.**

The            day of            , 1981.

THE STATES, in pursuance of Articles 7 and 21 of the Family Allowances (Jersey) Law, 1972,<sup>(1)</sup> as amended<sup>(2)</sup> (hereinafter referred to as "the Law"), have made the following Regulations—

1.—(1) The annual rate of family allowance payable under paragraph (2) of Article 7 of the Law<sup>(3)</sup> shall be £396 a child. 5

(2) The maximum income level specified under paragraph (3) of Article 7 of the Law<sup>(3)</sup> shall be £7,661.

2. In paragraph (1) of Article 6 of the Law<sup>(3)</sup> —

(a) in sub-paragraph (a)— 10

(i) in clause (i) for the expression "£1,300" there shall be substituted the expression "£1,450";

(ii) in clause (ii) for the expression "£1,250" there shall be substituted the expression "£1,400";

<sup>(1)</sup> Recueil des Lois, Volume 1970-1972, pages 417 and 427.

<sup>(2)</sup> No. 6796.

<sup>(3)</sup> Recueil des Lois, Volume 1970-1972, page 417.

(b) in sub-paragraph (b) for the expression "£600" there shall be substituted the expression "£700".

3. In Article 7 of the Law<sup>(4)</sup> —

5 (a) in paragraph (2) for the expression "£1,733" there shall be substituted the expression "£1,933";

(b) in sub-paragraph (b) of paragraph (3) for the expression "£120" there shall be substituted the expression "£140";

(c) in paragraph (4) —

10 (i) for the expression "£1,733" in both places where it occurs there shall be substituted the expression "£1,933";

15 (ii) for the figures "1733" in both places where they occur there shall be substituted the figures "1933";

(iii) for the figures "120" there shall be substituted the figures "140".

4. The Family Allowances (Jersey) Regulations, 1980<sup>(5)</sup> are repealed.

20 5. These Regulations may be cited as the Family Allowances (Jersey) Regulations, 1981 and shall come into force on the fifth day of May, 1981.

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<sup>(4)</sup> Recueil des Lois, Volume 1970-1972, page 417.

<sup>(5)</sup> No. 6796.