

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

5<sup>th</sup> February, 2025

**Proposition No. P.2024/114**

**Committee for Employment & Social Security**

**The Need to Stabilise the Private Care Home Market and Incentivise Growth to Meet Demand**

**AMENDMENT**

Proposed by: Deputy G St Pier

Seconded by: Deputy A Brouard

1. After Proposition 9, to agree to insert the following additional Proposition:

“9A. To agree to introduce a contribution condition in respect of entitlement to long-term care benefit and respite care benefit which must be satisfied by any person who becomes or resumes being ordinarily resident and present in Guernsey or Alderney on or after 1 July 2025 such condition being that not less than 520 Class 1, 2 or 3 reckonable contributions have been paid by or credited to the claimant in respect of the period from 1 January 2003 and the date of the person’s claim and to give the Committee for Employment & Social Security a power to prescribe appropriate transitional arrangements by Regulations.”.

**Rule 4 Information**

- a) The Propositions contribute to the Sustainable Health and Care Services Strategic Portfolio agreed as part of the Government Work Plan.
- b) In preparing the Propositions, consultation has taken place with the Committee for Employment & Social Security, who have indicated they will oppose the amendment for the following reasons:
  - *The Amendment is unnecessary, arbitrary and unfair;*
  - *The proposed new contribution condition will lead to inequity of treatment based on the date a person entered the island (which is arbitrary) and their level of income with people with lower income negatively affected;*

- *People moving to Guernsey or Alderney, or returning to Guernsey or Alderney, are required under law to pay weekly contributions to the LTCIF, regardless of age, if their earnings or income exceed the relevant lower earnings or income limit. So, after 10 years, only those who were not liable to pay contributions throughout that period, by virtue of having insufficient income, are negatively impacted – this is considered unfair;*
  - *The Committee notes that people over pension age are not able to pay voluntary contributions - they can only be paid by people under pension age as they go towards a person's pension record - so a pensioner who becomes or resumes ordinary residence in Guernsey or Alderney who is not liable to pay contributions would never be able to qualify for LTCB, unless a voluntary long-term care contribution is introduced specifically for people over pensionable age who move or return to Guernsey after 1 July 2025. But this would not cover the cost of the potential benefit and would just add more complexity and administrative burden to a Scheme that has, to date, been relatively straightforward to administer, but which will become more complex as a result of the Committee's proposed changes to the residency test and the introduction of a user care cost contribution, without this additional condition;*
  - *The introduction of the proposed contribution condition would disproportionately impact pensioners, especially female pensioners who are less likely to have sufficient income in retirement to be liable to pay a non-employed contribution. It is estimated that 73% of women and 45% of men over 66 are NOT liable to pay social security contributions at present – although the differential is likely to reduce in the long-term. Also, persons who are unable to work due to an illness/disability will be disproportionately impacted.*
- c) The propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- d) The Committee have advised that any savings to the Long-term Care Insurance Fund arising from the introduction of the proposed new condition of entitlement for people who take up residence in Guernsey or Alderney from 1<sup>st</sup> July 2025 could be largely offset by increased General Revenue expenditure through the provision of income support to people who cannot afford to meet their care costs as a result of being ineligible for care benefit/respite benefit. The Committee have advised that it is not possible to quantify any savings because this depends on the number of people that move to Guernsey after 1<sup>st</sup> July 2025, the size of their resources, and the type of contributions they are liable for, which cannot be predicted.
- e) This amendment has been drafted with the assistance of the States Greffier and the Office of the Committee for Employment & Social Security.

### Explanatory note

This amendment would introduce an additional requirement from 1<sup>st</sup> July 2025 that **new permanent residents would be required to have a 10-year contribution record** (i.e. 520 weekly contributions) in order to be eligible for benefit.

The period from which eligible contributions may have been paid or credited is 1<sup>st</sup> January 2003, the date on which the Long-Term care benefit scheme began. This is to ensure that those individuals who have previously been resident and then returned after 1<sup>st</sup> July 2025 are treated fairly and their prior contributions are recognised.

The Committee has advised that any savings to the Long-term Care Fund could be offset by increased General Revenue expenditure through the provision of income support to people who cannot afford to meet their care costs as a result of being ineligible for care benefit/respite benefit. It is not therefore possible to quantify any savings.

However, the purpose of the amendment is to reinforce the social contract with the community that the scheme is fair to all those who pay social security contributions by ensuring that long-term care benefit and respite care benefit is only payable for those who take-up permanent residence after July 2025 if they have contributed for a reasonable period. In particular, this amendment will ensure that those individuals who are 'capital rich' but 'income poor' who have not contributed or may not have been required to have do so, will be ineligible to benefit. As the Committee notes, it will be open to the States, if it sees fit, to respond to this new contribution condition by introducing a voluntary long-term care contribution specifically for people over pensionable age who move or return to Guernsey after 1 July 2025