

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE *FOR* EMPLOYMENT & SOCIAL SECURITY

**CHANGE TO ELIGIBILITY CRITERIA TO RECEIVE FAMILY ALLOWANCE AND WIDOWED
PARENT'S ALLOWANCE**

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Change to eligibility criteria to receive family allowance and widowed parent's allowance', dated 18th March 2025, they are of the opinion:

1. To provide that family allowance and widowed parent's allowance be paid until the last Sunday in July during the academic year in which a claimant's child turns 18, provided that child is receiving full time education and the claimant meets all other eligibility criteria.
2. To direct the preparation of such legislation as may be necessary to give effect to the above decision.

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The Presiding Officer
States of Guernsey
Royal Court House
St Peter Port

18th March 2025

Dear Sir

1. Executive summary

- 1.1. With effect from 3rd January 2022, an eligibility criterion for both family allowance ("FA") and widowed parent's allowance ("WPA") was changed such that both FA and WPA payments cease when a recipient's child reaches the age of 18, regardless of whether that child is still receiving secondary education¹. The change to WPA was a consequential amendment due to changes made to FA which released savings to be redirected towards funding certain health and education related subsidies for children.
- 1.2. The changes were brought into effect by the Family Allowances (Guernsey) (Amendment etc.) Ordinance, 2021² which was approved by the States of Deliberation on 15th December 2021³, and the Family Allowances (Guernsey) (Amendment) Regulations, 2021⁴ and the Social Insurance (Benefits) (Amendment) (No. 2) Regulations, 2021⁵, both of which were laid before the States of Deliberation on 16th February 2022⁶.
- 1.3. Following an appeal in respect of a WPA claim, the Committee *for* Employment & Social Security ("the Committee") has reviewed the current policy of ceasing FA and WPA payments when a claimant's child turns 18 and has concluded that FA and WPA should provide financial assistance to parents throughout the academic year in which their child turns 18, provided that the child is receiving full time education. In practice, this would ensure that, in the case of a person whose child

¹ If a child ceases full-time education before the age of 18, FA and WPA payments cease.

² [The Family Allowances \(Guernsey\) \(Amendment etc.\) Ordinance, 2021.](#)

³ [Billet d'État XXV of 2021.](#)

⁴ [The Family Allowances \(Guernsey\) \(Amendment\) Regulations, 2021.](#)

⁵ [The Social Insurance \(Benefits\) \(Amendment\) \(No. 2\) Regulations, 2021.](#)

⁶ [Billet d'État IV of 2022.](#)

turns 18 at, for example, the start of the academic year, FA and WPA would continue to be paid for the remainder of the child's studies during the academic year in which they turn 18.

- 1.4. The Committee, therefore, proposes that relevant legislative amendments are made such that FA and WPA are payable until the last Sunday in July during the academic year in which a claimant's child turns 18, provided that the child is receiving full time education and the claimant meets all other eligibility criteria. This is likely to include amendments both to primary legislation, including the Social Insurance (Guernsey) Law, 1978⁷ and the Family Allowances (Guernsey) Law, 1950⁸, and relevant subordinate legislation.

2. Policy background

- 2.1. FA is a weekly tax-free benefit payable to people living in Guernsey and Alderney who are bringing up children, provided their gross annual household income is below £125,000 and they meet all other eligibility criteria.
- 2.2. WPA is a weekly allowance paid to parents whose spouse or cohabiting partner has died. To receive the allowance, a person must either have been married to the person who has died or living with them as if married, and the deceased person must have satisfied certain contribution conditions prior to their death⁹. Recipients must also be residing with and caring for a dependent child.
- 2.3. The definition of 'child' for the purposes of WPA has historically been aligned with the one set out in the Family Allowances (Guernsey) Law, 1950. Indeed, the definitions of 'child' and 'family' in that Law and in other subordinate legislation are also referred to in several other Laws and Ordinances. This would mean that changes to definitions in the Family Allowances (Guernsey) Law, 1950 could, without careful consideration, have many unintended consequences.
- 2.4. In August 2020, the States approved joint policy proposals¹⁰ from the previous Committee *for* Employment & Social Security, Committee *for* Health & Social Care, and Committee *for* Education, Sport & Culture to introduce a household income cap for the purposes of entitlement to FA and to cease payments of the allowance when a child reached the age of 18, rather than the August following their nineteenth birthday¹¹, provided they were still receiving full time education¹². The savings arising from these changes to the eligibility criteria for FA were to be used to subsidise or fund various health and education services for children.

⁷ [The Social Insurance \(Guernsey\) Law, 1978.](#)

⁸ [The Family Allowances \(Guernsey\) Law, 1950.](#)

⁹ Or died as a result of an accident at work.

¹⁰ Building a Better Future: Children's Health & Education ([Billet d'État XVI of 2020](#), Article XIII).

¹¹ This policy applied to both FA and WPA until 2nd January 2022.

¹² The allowance stops earlier if a child ceases full-time education.

- 2.5. As part of the work to implement these proposals, the Committee considered the legislative connection between FA and WPA. Although the intention of the work was not to amend the eligibility conditions for entitlement to WPA, the link between the two benefits was preserved as it was considered to relate to the wider principle of who is treated as a child for benefit purposes, particularly those benefits paid only to parents for the benefit of children. Retaining the legislative link between FA and WPA was also considered to be prudent given the considerations set out in paragraph 2.3. The Committee decided that both allowances should continue to adopt the same definition of ‘child’.
- 2.6. On 15th December 2021, the States approved the Family Allowances (Guernsey) (Amendment etc.) Ordinance, 2021, which, among other things, amended the Family Allowances (Guernsey) Law, 1950 such that FA is paid while a child in full time education is under the age of 18.
- 2.7. On 16th February 2022, the Family Allowances (Guernsey) (Amendment) Regulations, 2021 and the Social Insurance (Benefits) (Amendment) (No. 2) Regulations, 2021 were laid before the States of Deliberation. Among other things, these Regulations collectively prescribe that a claimant shall only be entitled to FA and WPA in respect of a child of their family who is under the age of 18. Neither these Regulations, nor the Ordinance described in the paragraph above, altered the definition of ‘child’ in any relevant legislation.

3. Proposed change to eligibility criteria for family allowance and widowed parent’s allowance

- 3.1. Following an appeal in respect of a WPA claim, the Committee has reviewed the 2022 changes to the eligibility criteria for FA and WPA and has concluded that FA and WPA should provide financial assistance to parents throughout the academic year in which their child turns 18.
- 3.2. The Committee therefore proposes that relevant legislative amendments are made such that FA and WPA are payable until the last Sunday in July during the academic year in which a claimant’s child turns 18, provided that the child is receiving full time education and the claimant meets all other eligibility criteria.
- 3.3. The Committee notes that it is not proposing to reinstate the upper age limit which applied in respect of both benefits until 2nd January 2022, which was the August following a child’s nineteenth birthday, but rather that FA and WPA are payable for the whole duration of a child’s studies during the academic year in which they turn 18.
- 3.4. The Committee acknowledges that this proposal carries a financial impact. For FA, which is a non-contributory benefit and is therefore funded from General Revenue, the cost of the proposed change is estimated to be in the region of £160,000 per year (in 2025 terms).

- 3.5. For WPA, the financial impact of the proposed policy is more difficult to quantify. The additional cost depends on a number of factors which cannot be predicted, including the number of eligible claimants, the contribution record of the deceased person¹³, the date of birth of the deceased person's child(ren), whether the deceased person's child(ren) remain(s) in full time education beyond school leaving age, and if, or when, the deceased person's widow(er) or former partner remarries or starts cohabiting with another person¹⁴. Further, as there are relatively few WPA claims, the dataset on which to base financial estimates is extremely small. However, having regard to the small number of WPA claims closed between 2nd January 2022 and 31st December 2024 as a result of the claimant's child turning 18, it is estimated that the financial impact of the proposed policy will be less than £70,000 per year (in 2025 terms).
- 3.6. In the Policy Letter titled 'Building a Better Future: Children's Health and Education', which put forward the joint proposals to use savings arising from changes to FA to subsidise or fund health and education services for children, it was estimated that the combined savings of ceasing FA payments when a child turned 18 and for families with a gross household income of more than £120,000 would be £1.9 million per year. It was estimated that these savings would exceed the cost of the services provided by around £170,000 per year.
- 3.7. Importantly, the impact of ceasing FA payments once a claimant's child turns 18 was estimated to have a significantly smaller financial impact than the introduction of a household income limit. Ceasing FA payments after a claimant's child turned 18 was estimated to reduce FA expenditure by £320,000 per year whereas the introduction of the household income limit was estimated to reduce FA expenditure by £1.58 million per year.
- 3.8. Financial data show that FA expenditure in 2022 (i.e. the year the changes were introduced) was £2.3 million lower than expenditure in the year before. This benefit saving is £400,000 more than was estimated in the Policy Letter referenced in paragraph 3.6.
- 3.9. Data also indicate that, despite FA rates being increased each year in line with the 'core' rate of inflation (RPIX) as at 30th June in the preceding year, FA expenditure in 2023 and 2024 increased at a lower rate than RPIX. This is likely to be because the Committee did not propose to increase the FA household income limit in 2023 and 2024, meaning that its value in real terms reduced. Although the Committee proposed, and the States agreed, to increase the FA annual household income limit by £5,000 to £125,000 with effect from 6th January 2025, increasing the value of the limit was not expected to increase demand or expenditure as the real terms value of the limit remained the same as it had in 2024.

¹³ Weekly rates of WPA range from £125.67 to £294.79 in 2025.

¹⁴ WPA is not payable if a claimant remarries or begins cohabiting with a new partner.

- 3.10. Given that the savings arising from changes to FA taking effect on 3rd January 2022 have exceeded the estimates set out in the original policy proposals, and that the proposal set out in this Policy Letter still provides for an upper age limit for a child in respect of whom WPA and FA may be paid which is lower than was the case prior to 2022, the Committee does not consider that its proposals significantly erode the savings associated with the 2022 changes to FA and, by extension, WPA.
- 3.11. The Committee proposes that relevant legislative amendments are made to give effect to the proposal outlined in paragraph 3.2. This is likely to include amendments both to primary legislation, including the Social Insurance (Guernsey) Law, 1978 and the Family Allowances (Guernsey) Law, 1950, and relevant subordinate legislation.
- 3.12. Currently, the benefits IT system automatically stops FA and WPA payments when a child turns 18. Therefore, the proposed changes require some IT development work.
- 3.13. Having regard to the fact that the legislative and IT changes must be prioritised against other workstreams, it is expected that the proposed changes, if approved by the States, would come into effect during 2026.

4. Compliance with Rule 4 of the Rules of Procedure

- 4.1. Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees sets out the information which must be included in, or appended to, propositions laid before the States.
- 4.2. In accordance with Rule 4(1)(b), the Committee confirms that it has informed the Policy & Resources Committee of its proposal.
- 4.3. In accordance with Rule 4(1)(c), the propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- 4.4. In accordance with Rule 4(1)(d), the financial impact of the Committee's proposals have been set out in paragraphs 3.4 and 3.5.
- 4.5. In this Policy Letter, the Committee has set out its proposal to amend the eligibility criteria for FA and WPA such that the benefits are paid until the last Sunday in July during the academic year in which a claimant's child turns 18, provided that the child is receiving full time education. In accordance with Rule 4(2)(a), it is confirmed that the propositions accord with the Committee's purpose:

“To foster a compassionate, cohesive and aspirational society in which responsibility is encouraged and individuals and families are supported through schemes of social protection relating to pensions, other contributory and non-contributory benefits, social housing, employment, re-employment and labour market legislation.”

4.6. In particular, the propositions relate to the Committee's mandated responsibilities:

"To advise the States and to develop and implement policies on matters relating to its purpose, including...financial and social hardship."

4.7. In accordance with Rule 4(2)(b), it is confirmed that the propositions have the unanimous support of the Committee.

Yours faithfully

P J Roffey
President

H L de Sausmarez
Vice-President

T L Bury
S J Falla
L C Queripel

R J Le Brun
Non-States Member

M R Thompson
Non-States Member