P.2026/54 Amdt 1

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

15th July 2026

Proposition No. P.2026/54

Committee for Employment and Social Security

The Long-term Care Insurance (Amendment) (Guernsey) Law, 2026

AMENDMENT

Proposed by: Deputy J. Ozanne

Seconded by: Deputy G. Oswald

To insert, immediately after the words 'His Royal Sanction thereto", the words ", subject to the following:"

"In section 1 –

(a) in subsection (2)(c), for "20 years", substitute "10 years",

(b) in subsection (3), for "38 years of age", substitute "28 years of age" and for "20 years", substitute "10 years"".

Rule 4(1) information

a) The proposition contributes to the States' objectives and policy plans as it is in line with the third States Super Priority: 'agree and advance a sustainable health and care system.'

b) In preparing the proposition, discussions have taken place with members of Policy & Resources Committee, the Committee *for* Employment & Social Security and with the Committee *for* Health & Social Care.

c) The proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.

d) The financial implication of carrying out this amendment would be to reduce the potential saving from £0.7m to £0.2m per year (in 2025 terms) after a 5-year transition period. This is further outlined in the explanatory note.

e) Drafting advice has been sought from the States' Greffier and advice has been sought from the officers of the Committee *for* Employment & Social Security.

Explanatory Note

1. In February 2025, the States resolved to amend one of the two residency conditions to receive long-term care benefit from five years' continuous residency at any time to an aggregate period of 20 years' residency, as an adult, since 1 January 2003 (ie when contributions were first payable to the Long-term Care Insurance Fund). This was as a result of a successful amendment to the Committee *for* Employment & Social Security ("the Committee)'s original Proposition of an aggregate period of 10 years' residency.

2. This amendment, which restores the 10-year residency requirement that the Committee originally proposed, also reduces the age limit under the special rule for those unable to meet that requirement because of their age from 38 to 28 years.

3. The Amendment would mean that the transitional period for implementing the new residency requirement reduces from 15 years to 5 years.

4. As originally amended, the 20-years' aggregate residency requirement will create a number of unintended consequences, particularly for the Committee *for* Health & Social Care, notably in relation to availability of acute treatment at the PEH.

5. A 10-year residency requirement aligns with the current requirements in Jersey and minimises the risks of creating a competitive disadvantage between the Islands.

Additional information regarding the financial implications of the amendment

6. The effect of this new Amendment would be to reduce that projected savings to the States of Guernsey by £0.5m to £0.2m per year (in 2025 terms) after a five year transition period. These calculations take into account both:

   - the estimated reduction in expenditure from the Long-term Care Insurance Fund as fewer people qualify to receive care benefits due to increasing one of the residency requirements (which is currently five years' continuous residency); **and**

   - the estimated additional cost to General Revenue of an estimated 70% - 75% of individuals who become ineligible to receive care benefits, and who will instead need assistance through income support to meet the costs of their long-term care.

7. The current change to a 20-year residency requirement as set out in the Law is expected to eventually increase income support expenditure by around £2.0m per year. However, moving to a 10-year residency requirement is expected to increase income support expenditure by only £0.5m per year, thus reducing the amount funded by General Revenue by £1.5m. The table below summarises this information.

Impact of:	**Saving to the Fund (£)**	**Additional cost to General Revenue (£)**	**Overall saving to SoG (£)**
10-year vs 5-year	0.7m	0.5m	0.2m
20-year vs 5-year	2.7m	2.0m	0.7m
20-year vs 10-year	2.0m	1.5m	0.5m

8. Savings would be realised more quickly under this amendment. Whilst phased transitional arrangements are required for both scenarios, they would last 15 years for a 20-year residency compared to just five years for a 10-year residency requirement.